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THE TIMES

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Central America: The
flaws in the
Reagan policy, page 14

Government launches £210m rescue for ICL

The Government is to give aid worth £210m to International Computers, Britain's leading computer company. It has been influenced by the need to protect the national interest, not least its own dependence on ICL equipment, and defend what it considers to be one of the cornerstones of Britain's industrial future.

Priority to protect national interest

By Peter Hill
Industrial Editor

The Government yesterday launched a £210m "lifeline" to rescue International Computers (ICL), Britain's leading computer company.

Yesterday's politically embarrassing parliamentary statement by Sir Keith Joseph, the Secretary of State for Industry, came after weeks of discussions between ICL, its bankers, and Whitehall.

The rescue will involve a large increase in government funding of the company's research and development programme, and guarantees to cover additional borrowings of as much as £200m. ICL is also expected to seek as much as £150m of additional bank facilities shortly.

The decision to support ICL, which the Government considers to be one of the most important parts of Britain's industrial future, is likely to be followed by other claims for support. British Telecom has been pressing for additional funds for its investment programme and last night called on the Government to be sympathetic to its case.

This intervention by the Government into industry has been heavily influenced by the need to protect the national interest, not least the Government's own dependence on ICL equipment. Twenty government departments, including defence and health and social security, use ICL equipment valued at more than £200m.

But ministers will be embarrassed by having to come to the company's aid, albeit indirectly, less than 15 months after the National Enterprise Board sold its 25 per cent stake in ICL on government orders realising £38m for the Exchequer.

In his statement, Sir Keith said: "The Government has a special interest in ICL as a substantial customer for its products. To protect this special interest, we have given a positive response to a proposal that the Government should provide a limited, temporary measure of support for ICL."

The support package will be an increase in government fund-

ing of the company's research and development programme to between £10m and £12m from the present level of between £6m and £8m a year. Guarantees on further bank borrowing over the next two years up to £200m are being provided under Section 8 of the 1972 Industry Act. ICL's bankers, which include Barclays and National Westminster, have agreed to continue their existing support totalling £70m.

Last year ICL's profits slumped by 46 per cent, and in the first three months of this financial year it recorded a loss of £20m. Mr Philip Chappell, the chairman, has said that it hopes to be nearly breaking even by the second half of the year.

The cash crisis has caused the company to lay off 3,700 employees, sell nearly 15 per cent of its property assets, and impose a pay freeze. At the end of last year, after months of wrangling, the company won a £36m contract to provide a new computer system for the Inland Revenue.

ICL accounts for between 29 and 35 per cent of the United Kingdom computer market. Speculation about the solution to the company's cash crisis has increased in recent weeks, and there have been repeated suggestions that foreign companies could be interested in taking over the company.

Mr Kenneth Baker, Minister for Information Technology, said last night: "ICL has been severely and sharply affected in its business for large computers and has suffered a significant fall in orders towards the end of last year. In this, ICL is not an exception."

Mr Baker said that the company had been forecasting a 20 per cent annual growth in its business and that the support package would provide the company with a "breathing space" to review its long-term business opportunities.

Its performance over the next two years would be closely monitored by Whitehall and management changes could not be ruled out.

Leading article, page 15
Breathing space, page 19

Senior tax officials under siege by pickets

By Donald Macintyre
Labour Reporter

Pressure on the Inland Revenue mounted last night as bank union leaders called for the blocking of payments to the department, and the Civil Service unions advised traders that they need not pay tax during the dispute.

The Banking, Insurance and Finance Union is calling on 13 clearing banks not to handle credit transfer payments made to evade the enforced closure of the Inland Revenue's two computers at Shipley, West Yorkshire, and Cumberland, near Glasgow.

It is formally advising members in branches at the bank's own computer centres, and at the automated clearing exchange at Edgware, London, shared by all the main English clearing banks, not to process payments destined for the Inland Revenue.

The Inland Revenue continued successfully to process tax cheques yesterday at its offices at Bush House in the Strand, central London, although a picket line reinforced by an early-morning demonstration of about a hundred civil servants and union leaders.

The unions, however, claimed an important moral victory when they found out where the cheques were being sorted after what Mr Anthony Christopher, general secretary of the Inland Revenue Staff Federation, said had been a series of "Starsky and Hutch" pursuits of vans carrying the payment envelopes from post offices.

Picketing began at Lauriston House, in Edinburgh, and is expected to begin outside the other cheque sorting office, Liverpool Victoria House, at the Arndale Centre in Leeds, this morning.

The Council of Civil Service Unions said that its advice to businesses was that they "should hold on to their money until the strike is over and use it to improve their cash flow."

An advertisement taken by the unions in the *Financial Times* today says that the Government's contingency measures to collect revenue are giving only partial coverage and that there is at present no comprehensive system of recording who had and who had not paid PAYE.

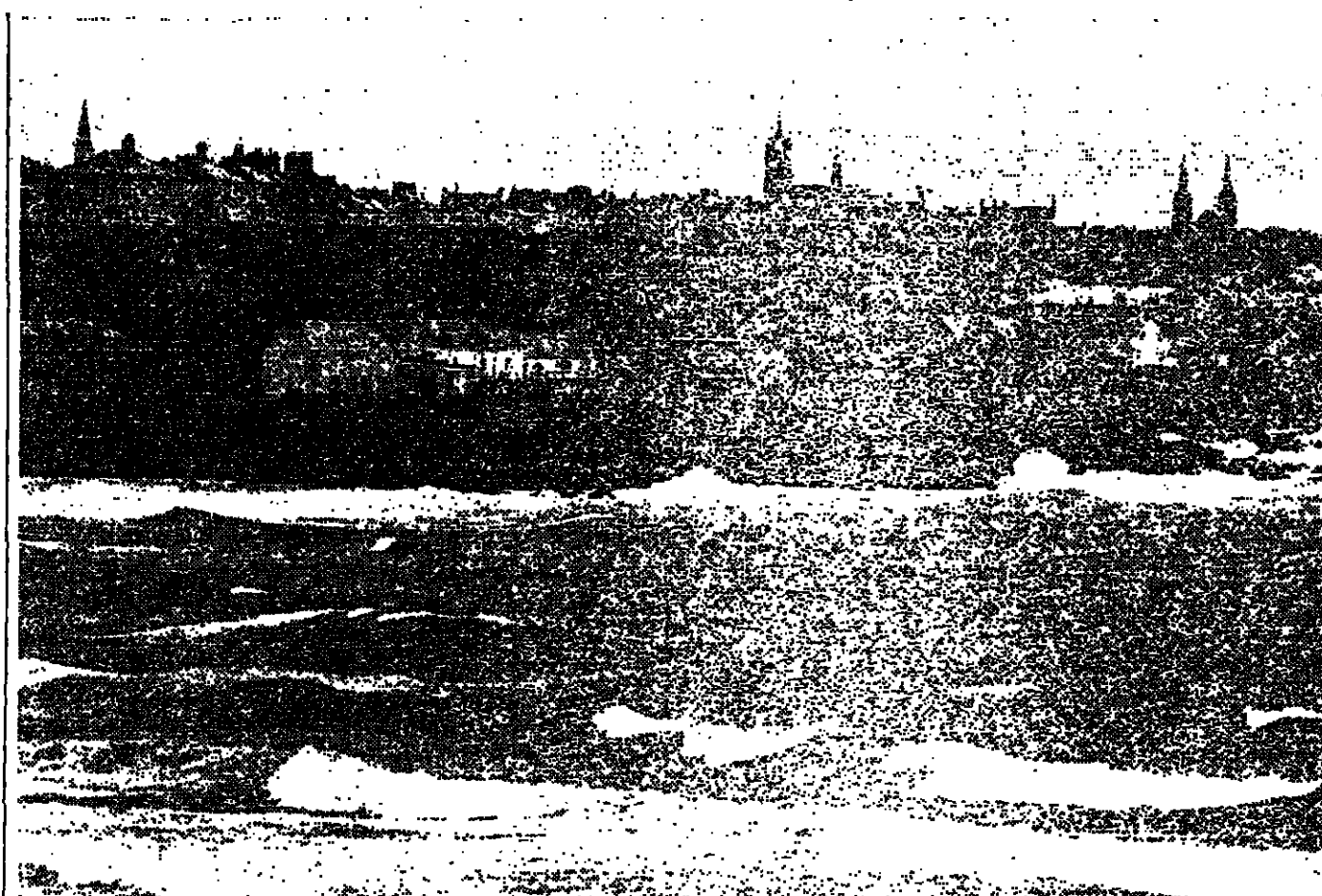
It adds that the Customs and Excise have recognized that and the issuing of distress notices to defaulters had been suspended.

The Government confirmed that it had ceased to ask the courts for the notices.

Bank staff have been given six giro payment slip sorting codes that show payments are destined for accounts holding value-added tax, income tax, corporation tax, or national insurance payments.

The Inland Revenue and the customs reacted sharply last night to the unions' invitation to traders to withhold payments.

The customs said there was a legal obligation to pay value-added tax. The Inland Revenue said there was an obligation to pay tax if it is due "and if it can be paid."



Hope abandoned: Waves breaking on the rocks off Buckie, Grampian, whose citizens were told yesterday that hope had been abandoned for six local men lost on board the fishing vessel *Celerity* in stormy seas in the Pentland Firth. The loss brings to 22 the number of

Buckie men who have died at sea in under two years. The *Celerity*, a 65ft wooden seine-netter, vanished early on Wednesday morning after losing contact with an accompanying fishing vessel in sleet and rain that blanketed visibility. Racing tides prevented the

Celerity's companion from searching the area and sweeps by the RAF in the Pentland Firth failed to find any trace of the missing vessel. The loss means that six wives are widowed and 14 children are fatherless.
Town stunned, page 2

Ex-diplomat was not blackmailed or pressurized, solicitor says

Sir Peter Hayman, the former diplomat who was involved in a child pornography investigation, was never blackmailed, approached or subjected to pressure, Sir David Napley, his solicitor, said in a statement last night.

Sir David said: "Sir Peter authorizes me to express, on his behalf, his deep regrets for the intense embarrassment and distress which has been caused to his family, friends and many others."

The statement attacked the naming of Sir Peter. "The irresponsible conduct which resulted in Sir Peter and his family being pilloried goes to the very root of the discretion to prosecute," it said.

Sir David said that a factor which the Director of Public Prosecutions customarily took into account when deciding to prosecute was "whether the indirect punishment and hardship which a defendant may suffer is likely to be so disproportionate to the severity of the alleged offence as to any penalty imposed by a court that it would be unjust to prosecute."

As later events have clearly shown, this was overwhelmingly the situation in Sir Peter Hayman's case and manifestly justifies the director's decision.

The written answer given today by the Attorney General reads: "It is clear that there has never been any allegation or indeed suggestion of any participation by Sir Peter Hayman in an act or conduct involving the corruption of young people or children."

Indeed, if there had been, proceedings would rightly and inevitably have followed.

"The inquiry concerning the posting of material in sealed envelopes, which none but the sender and the recipient would see, was a separate and distinct police inquiry from that which subsequently led to the prosecution at the Central Criminal Court of those charged with conspiracy to corrupt public morals."

"There was never any allegation or suggestion that Sir Peter Hayman was involved in that conspiracy."

"Indeed, inquiries show that the decision was taken by the DPP in Sir Peter's case before the papers in the late case were received in his office. The only allegation against him concerned the use of the post for sending material."

"He had no material with which the Paedophile Information Exchange was involved."

until well after the period when he retired from the Foreign Service, now nearly seven years ago, and it is significant that, as I am informed, the two persons involved with far more serious material, against whom charges were brought, were subjected by the magistrates to only a condition discharge."

MP not satisfied: Mr Geoffrey Dickens, Conservative MP for Huddersfield, West, who has asked for the prosecution of Sir Peter Hayman for sending and receiving pornographic material through the post, said last night that he was not satisfied with the written answer given to him in the Commons by Sir Michael Havers, QC, the Attorney General (our Political Correspondent writes).

"I still think there has been a cover up, and I am writing to the Attorney General asking him to resign," he said at a House of Commons press conference.

After dealing with the affair of the diplomat, Mr Dickens made a statement announcing that his marriage had broken up, and that his partner now was Mrs Maureen Knight, aged 43, who is divorced. She is proprietor of a nursing home in Tunbridge Wells.

She was present with him at the press conference, in tears, as he made the announcement. He said he would telephone his wife.

Reference was made to the former diplomat during the trial at the Central Criminal Court of Mr Tom O'Carroll, aged 35, chairman of the Paedophile Information Exchange, to which Sir Peter, the former British High Commissioner in Canada, subscribed. Mr O'Carroll was sentenced to two years' imprisonment for conspiring to corrupt public morals.

In his parliamentary reply, Sir Michael Havers said that in 1978 a packet containing obscene literature and written material was found in a London bus. Subsequent police investigation revealed a correspondence of an obscene nature between Sir Peter Hayman and a number of other persons.

Altogether seven men and two women were named as possible defendants in the report submitted by the Metropolitan Police in Sir Thomas Hetherington, Director of Public Prosecutions.

"The director advised against prosecuting any of the nine persons, either under Section 11 of the Post Office Act, 1953, or for any other offence," Sir Michael said.

"Among the considerations he took into account were the factors that the correspondence had been contained in sealed envelopes passing between adult individuals in a non-commercial context and that none of the material was unsolicited."

In a prepared statement, Mr Dickens said afterwards: "I am quite shocked and surprised. I think that if you have laws available to you for offences, however trivial, you should either enforce those laws or have them repealed."

"I was very surprised that the Attorney General made no reference to the contents of the explicit entries in the many volumes of diaries found at the premises of this British diplomat. Nor did he make any reference to the hoard of pornographic material found by police officers."

Full Commons reply, page 2

Sexual deviation, page 14

Leading article, page 15

Shortage of oxygen kills worker in spacecraft

From Michael Leapman
New York, March 19

A worker at the Kennedy space centre at Cape Canaveral, Florida, was asphyxiated today when he and five others walked into a compartment of the trouble-plagued space shuttle *Columbia* which had been filled with nitrogen.

Two hours after the countdown ended, the six men walked into a compartment of the craft to check the engines, unaware that all the oxygen had been pumped out and replaced by unbreathable nitrogen. Five of them collapsed and a sixth was able to leave on his feet with assistance. Three were released from hospital after treatment.

The accident occurred a few hours after a 33-hour rehearsal of the countdown to the launching had apparently been completed successfully.

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"The air portion of the order normally is filled with nitrogen to get the oxygen out," a spokesman said. "That is done to prevent fires in that area and to prevent anything explosive from seeping in."

He added: "There is no way you can see or smell that you are moving into an area that lacks oxygen. It is normally a closed area and you can only get into it by going through access panels."

The date of the initial 54-hour flight has not yet been fixed but, before today's accident, it was thought likely to be in the week of April 5.

American wants to build three Titanics

By John Huxley

An American businessman has asked the Harland and Wolff shipyard in Belfast if it could build three replicas of the ill-fated Titanic.

So far, the offer has received two letters from Mr. James Beasley, chairman of Transatlantic Risk, which specializes in transport, air and marine insurance, and is based in San Diego, California. Mr. Beasley's general philosophy was that a new breed of liner was needed by people wishing to cross the Atlantic.

Harland and Wolff, now a loss-making yard, built the Titanic, which sank south of Newfoundland on April 14, 1912, with a loss of more than 1,500 people after striking an iceberg on her maiden voyage. Titanic II, Titanic III, and Titanic IV would cost \$1,500m (about £660m). The Belfast shipyard was chosen, it seems, in the interests of authenticity.

The letters contained no direct proposals for Harland and Wolff, although it is understood that Mr. Beasley has engaged a firm of naval architects, Rosenblatt of New York, to draw up detailed designs.

Yesterday Mr. Beasley, who held press conferences in the United States earlier in the week, said that the ships would resemble the Titanic only on the outside, with modern interiors. The ships would cater for only 600 passengers, with prices from £1,000 a day.

Little is known in Britain of Transatlantic Risk, but Mr. Beasley said that the financial package was being put together by several large companies and banking organizations. Transatlantic Risk was set up three years ago and created a subsidiary, the Titanic Passenger Steamship Line, two years ago.

Mr. Beasley said that the ships would pay for themselves within four years. He hoped to start a liner service from 1985.

Reports of the possible return were greeted with scepticism if not actual disbelief—in Belfast yesterday.

The state-owned yard employs about 7,000 workers whose spread of skills are different from those needed to build large, luxury liners. In recent years the company has been building bulk carriers, tankers and ferries, and has had £250m state aid since the 1960s.

Harland and Wolff believes that there was nothing wrong with the Titanic and that had it not struck an iceberg, it would have had a long and useful life. "We believe it would have passed all seaworthiness requirements up to the 1950s," an official said.

Several salvage attempts have failed. Mr. Jack Grimm, a Texas oil millionaire, plans to resume his search off the Newfoundland coast this summer.

The Titanic leaving Harland and Wolff's yard in 1912.

The Titanic leaving Harland and Wolff's yard in 1912.

Success for Soviet killer-satellite

From Patrick Brogan
Washington, March 19

The Soviet Union has successfully tested a "killer-satellite," according to military sources here. This is apparently the first time in an operational test of the satellites that the device has exploded close to its target, damaging it fatally.

The test of space war is thus upon us. The Americans have been deeply concerned at the Soviet advance in the field of anti-satellite warfare and have been conducting research into ways of protecting their own satellites and attacking Russia's.

Communications used in modern warfare, the control of inter-continental missiles and spying on enemy territory all depend on satellites. The ability to destroy the other side's satellites would be a formidable advantage to whoever possessed it.

The Soviet Union has apparently developed homing devices which can trace enemy satellites. The hunter explodes in the vicinity of its target, showering it with shrapnel and breaking up its cameras, sensors and other instruments, all of which hang around the satellite in a vulnerable array.

In a statement to Congress last month, General David Jones, the chairman of the Joint Chiefs of Staff, said that the Soviet Union was acquiring the ability to attack American satellites in low orbits, which would make most of its space systems "vulnerable to damage."

Our Defence Correspondent writes: The Soviet Union is reported to have carried out 17 tests of "killer-satellites" since 1968. Ten of those have been classified as "possibly successful" by Washington sources,

because the interceptor passed within one kilometre of its target.

This is the first time, however, that the Russians have destroyed the target. On previous tests the "killer" has been allowed to pass well clear of the target before being detonated.

That is thought to have been because Soviet scientists have wanted to preserve their targets for as many tests as possible. Another reason might be that they have wanted to concentrate upon measuring the distance between the two satellites, by using data fed back to them from the target's computer. The latest test could therefore have more political than military significance.

The Outer Space Treaty of 1967 forbids the deployment and use of such weapons in space, but not experimental research.

'Détente dead' remark denied in Washington

The American State Department has repudiated an interview given by an official of the National Security Council who said that détente was dead. At the same time Mr. Alexander Haig, the Secretary of State, has reaffirmed his resolutely anti-Soviet policy by denouncing the Russian "objective" of striking at countries on or near the vital resource lines of the West. Page 6

BNOC shares delay
Shares in the state-owned British National Oil Corporation are unlikely to go on sale in the present parliamentary session because of the time taken up by Canada's Constitution Bill. It is also thought that ministers are lukewarm, at least on bringing in private capital. Page 17

New Front march ban
Despite a ban imposed by the Home Secretary on the National Front march in Leeds on Sunday, the organization said it would be demonstrating elsewhere, probably in Yorkshire. The ban came after talks between councillors and police. Page 2

Mr Steel's hopes for electoral alliance

Mr David Steel, the Liberal Party leader, said that the latest poll confirmed that only an alliance of Social Democrats and Liberals could offer voters an alternative choice of government. Page 2

Fisheries impasse

British sources in Brussels have dismissed as unacceptable a new proposal by the European Commission intended to enable Britain to lift its veto on the EEC-Canada fisheries agreement, which is of vital interest to West German fishermen. Page 6

Mother wins fight

Mrs Anwar Ditta, who was born in Britain, has won a fight begun in 1973 to bring her three children to Britain from Pakistan. Privately arranged blood and tissue tests convinced the Home Office. Page 3

Kenyan treason trial

Two Kenyans appeared in a Nairobi court charged with treason and misprision of treason. One, a former member of parliament, is accused of plotting to overthrow President Moi, and the other of throwing the plot and failing to take action to avert it. Page 7

Stricter code on car sales and servicing

A stricter code to cover the sale and servicing of new and second-hand cars was announced by the Director General of Fair Trading. It is supported by manufacturers and traders in view of Parliament's expressed concern at the present low standards, he said. The Consumers' Association gave it a qualified welcome. Page 4

Polish-German talks

Herr Genscher, the West German Foreign Minister, has begun talks with Polish officials in Warsaw on financial aid and détente. He brought with him the promise of a DM 150m (£32.5m) credit. Mr. Kania, the Polish leader, who is in Budapest, is expected to return to Warsaw in time to join the talks. Page 7

Africa: Lack of money and transport hinders efforts to prevent starvation in many lands. Page 7

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Jersey farm has foot and mouth

By Hugh Clayton
Agriculture Correspondent

Foot-and-mouth disease was confirmed yesterday on a farm in Jersey. It was the first outbreak in the United Kingdom since 1968 and the nearest to the British mainland since the disease appeared in northern Normandy seven years ago.

The virus was of the type found on farms near the coast of Brittany early this month. The appearance of the disease on an island about 50 miles from the French coast illustrates how easily the virus can be wind-borne.

Jersey is only about a hundred miles from Dorset and farmers in southern England were alerted yesterday.

There are 8,000 cattle in Jersey, which had its last foot-and-mouth outbreak in 1958. Six cows and a bull from the infected farm were slaughtered on government orders yesterday and all transport of animals was banned.

The last British outbreak cost £27m in government compensation to farmers for more than 400,000 cattle destroyed. Some EEC countries control the disease by regular vaccinations.

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Mr Steel elated by poll support for alliance

By Fred Emery
Political Editor

The 46 per cent popular support given to a putative alliance between Social Democrats and Liberals in the latest Gallup poll, published in *The Daily Telegraph* yesterday, was hailed last night by Mr David Steel, the Liberal Party leader, as an alliance could provide the breakthrough to forming a government.

His elation coincided with the news that another Labour MP, Mr Edward Lyons, is to join the Social Democrats.

Mr Steel said: "The blunt message is that separately we can offer two valuable and growing influences in the next House of Commons. But together on an alliance can offer the people an alternative choice of government to the two stale options they have had for nearly forty years."

He will be sounding the same call tonight when he appears for the first time on the same platform with a Social Democrat MP, at the Welsh Liberal Party Conference at Colwyn Bay.

He will be joined by Mr Tom Ellis, MP for Wrexham, who resigned the Labour whip.

The Gallup Poll asked its sample of electors how they would vote if the alliance agreed that a candidate from only one of the parties stood in each constituency. The result, excluding non-preferences, was Social Democrat-Liberal Alliance, 46 per cent; Labour, 27; Conservative, 25; Other, 2.

As the table below shows, that was not quite the highest figure, after exclusions; but it was the first time since the alliance became a serious possibility that its poll exceeded the separate Liberal and Social Democrat vote.

Mr Steel's reason for emphasizing the poll's result is not only to bring home the point that the Social Democrats alone cannot hope to make the breakthrough that has eluded the Liberals.

It is also to remind Liberals that the combined figures now being produced in opinion polls exceed the highest figures registered for Liberals alone, even at the height of their electoral successes.

Mr Steel is clearly delighted and determined to make as much as he can of the Social Democrats' launch next week.

Mr Lyons, Labour MP for Bradford, West, declining, as he put it, to remain in a party that represented "a threat to parliamentary democracy", gave his news last night.

He told his constituency party general management committee that he would resign the Labour whip on Monday.

Mr Lyons, the thirteenth Labour MP recruited to the Social Democrats, secured the largest swing to Labour of any candidate in the 1979 election. He increased his majority by nearly 3,000.

Mrs Barbara Holmes, secretary of his constituency party, also resigned from the party last night, and it is expected that the chairman will resign and join the Social Democrats.

The terms in which Mr Lyons announced his defection are extremely damaging to Mr Michael Foot, leader of the Labour Party.

Mr Foot had sought at a private meeting on Wednesday to dissuade Mr Lyons, but to no avail.

Mr Lyons's statement, prepared for delivery last night, made clear that he has no confidence in a Labour counter-attack on the left at the national level.

The Chief Executive: The Social Democrats are to advertise for a full-time chief executive, starting at a salary of £20,000 a year, it was learnt last night.

Liberal alliance, page 14

in the following table, in order to produce accurate comparisons, the results have been adjusted to exclude non-preferences. The figures refer to voting intentions at a general election.

Separate: Liberal, Social Dem, Labour, Conservative, Other

Question asked suggested Liberal standing down.

ORAC Opinion Research and Communication; NOP, National Opinion Poll; MORI, Market Opinion Research International; A.C. Audience Selection

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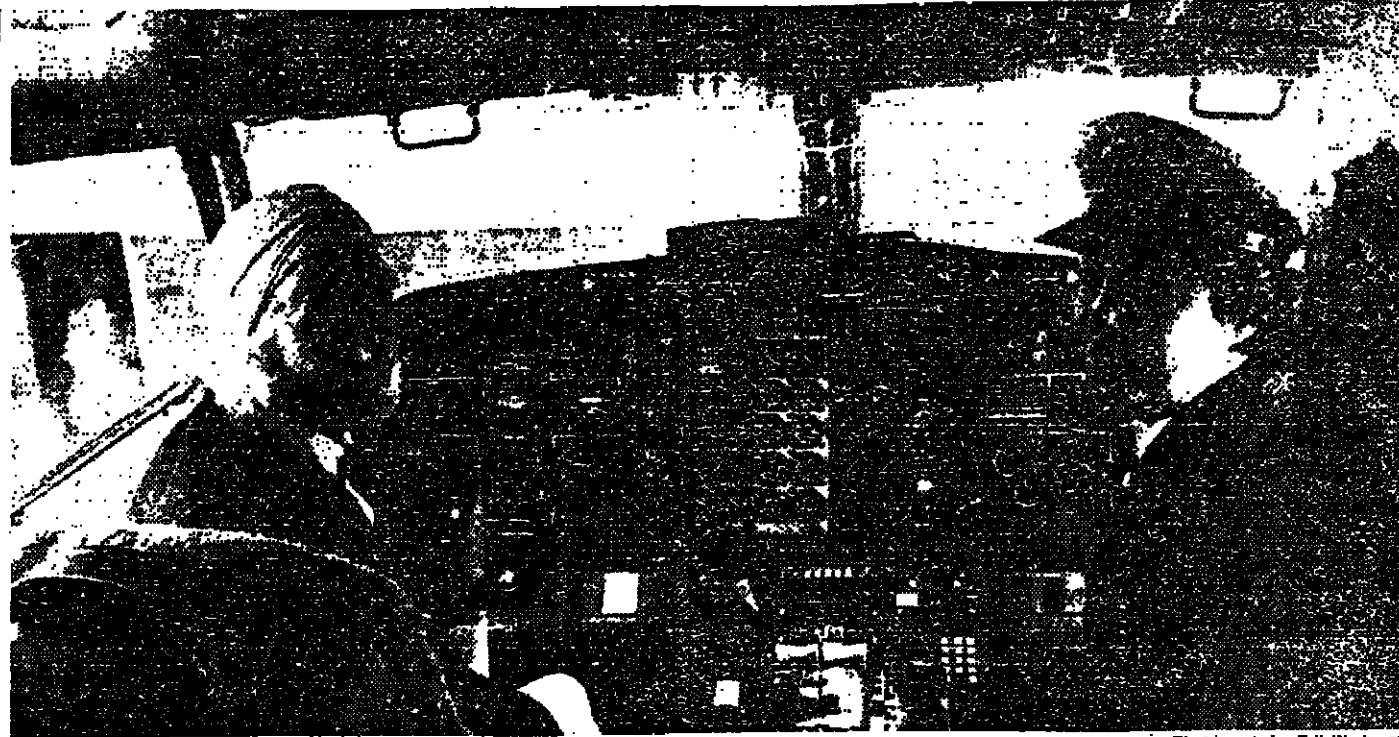
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Miss Jean Batten, aged 71 (left), who set flying records before the war, sitting at the controls of a Britannia Airways airliner which she named after herself at Luton airport yesterday. With her is First Officer Suzanne Eastbury.

Direct labour forces to bid for contracts

By Christopher Warman
Local Government Correspondent

Controversial new rules to ensure that local authority direct labour organizations (DLOs) give value for money were published yesterday by the Department of the Environment.

The provisions come into force on April 1 and the Government is concerned that they should increase efficiency, competitiveness and accountability in council organizations which provide new building and other works.

A circular to local authorities explains that under the Local Government, Planning and Land Act, 1980, direct labour organizations must bid for a substantial proportion of their work against competitive tenders, and must carry a prescribed rate of return on capital, and must publish the results.

The target rate of return on capital has been set at 5 per cent by Mr Michael Heseltine, Secretary of State for the Environment, who also has the power to close down direct labour organizations which consistently miss their target.

Regulations laid before Parliament list the contracts which must go to competitive tender: as general highway works cost-

ing more than £100,000, sewerage works exceeding £50,000, but for other new works costing more than £50,000 or less only a third must go to competitive tender, and maintenance work over £10,000.

Mr Geoffrey Finsberg, Parliamentary Under-Secretary, Department of the Environment, said that the new legislation would carry out government pledges to place effective controls over council direct labour forces.

"In the past these organizations have been shielded from public gaze. This will not be so in the future. Ratepayers will be able to see whether they are obtaining value for money."

"We should now have a worthwhile basis for the future operation of DLOs broadly acceptable to both local authorities and the construction industry. There will be a significant change in approach, an increased cost-consciousness and recognition of the contribution which can be made by the private sector," Mr Finsberg said.

A seminar on direct labour, organized by the Institution of Municipal Engineers yesterday, heard complaints about the new system, showing that local authorities would have a more difficult task than the private contractor.

Big cut in system for training teachers

By Our Education Correspondent

A contraction of the teacher-training system is inevitable given government predictions that the demand for newly trained teachers will fall to about one third of its present level in three years.

That was agreed at a meeting yesterday of the teacher training subcommittee of the Government's advisory committee on the supply and education of teachers (Ascet). However, the subcommittee was not asked to consider, so expressed no view on, the critical question of closures of teacher-training colleges and departments of education.

Government forecasts show that while the teacher-training system produces 17,000 teachers every year, the demand is expected to fall from 12,500 this year to about 4,500 in 1983-84.

A Department of Education and Science paper emphasizes, however, that "decisions about the future size and structure of the training system cannot be based solely on indications of the prospective demand for new teachers in the short to medium terms."

In brief

Dead policeman had 20 wounds

Police Sergeant Michael Hawcroft, who died last week, was found to have 20 stab wounds in the front of his body and 10 in the back, an inquest at Bradford, West Yorkshire, was told yesterday.

Mr James Turnbull, the coroner, adjourned the inquest. Professor David Gee, the pathologist, who carried out a post-mortem examination, said death was due to shock and haemorrhage. A youth aged 16 has been accused of murder.

MP to stand down

Mr William Wilson, Labour MP for Coventry, South-east, announced today that he will not stand at the next general election. Mr Wilson, aged 67, has spent 17 years in the Commons.

Van loses shell

The entire body shell of a van hired by Mr Raymond West, of Weston super Mare, Avon, lifted off as he was cruising at 40 mph on the M5 at Dunball, Somerset, yesterday. Two lanes of the motorway were closed for two hours while the debris was cleared.

Rosie Swale remand

Rosie Swale, the round-the-world yachtswoman, appeared in Bow Street Magistrate's Court yesterday charged with soliciting after being arrested in Curzon Street, Mayfair. Mrs Swale, aged 31, of Clynderwen, Dyfed, pleaded not guilty and was remanded on unconditional bail until July 15.

280 bacon pigs die

More than 280 bacon pigs died in a fire at a barn on Beckfield Farm, Sandon, near Stevenage, Hertfordshire, yesterday. The damage was estimated at £45,000.

Magnate's divorce

Sir Maxwell Joseph, aged 70, the hotel magnate, was granted a divorce in London Divorce Court yesterday. He has lived apart from his wife since 1953. They married in 1932.

A dog's revenge

When a dog was knocked down at a road junction in Sheffield the car stopped and the dog ran back, jumped and bit the passenger. The dog was unhurt.

Sea tragedy stuns town that has lost 22 men

From Ronald Faux
Buckie

The Rev Alexander Baptist, minister in Bu Grampan, had the grim task yesterday of informing families of six men lost the fishing vessel *Cel* that there was no hope finding them alive and the search for them had abandoned.

The small, compact vessel with a grey roof and a harbour wall overlooking Moray Firth, had waited first light for news as aircraft combed the Penn Firth for any signs of the missing boat. There was none.

The tragedy brought to 22 number of Buckie men who died at sea in the last year. The chilling news brought home the consequence of the tragedy to the close community: 14 children orphans, six wives widowed.

Mrs Mary Grant, aged married six months ago, expected her first baby, her husband, William, father and an uncle when *Celery* was overwhelmed. "Everyone is stunned. I realize that it can't be anything but when you touch everyone," Mr told *The Times*.

"There are very few people in Buckie who have not a relative, friend or some they have known over the years. There is not anyone who does not have a personal connection with the tragedy of this fishing boat."

"About fifty boats are entered at Buckie and open from ports on the east coast along the west coast of Scotland. There are a few slips and a yard, where *Celery*, a wooden 63 seiner-netter, was built 3 years ago.

"Fishing is what Bu depends on. There is a saying that if a living does not come through the harbour mouth will not come at all," a skip said. Things had been recently. He wondered when the men had been pushing bit too hard.

Mrs Jean Hillier organize a tea for the families of the men who were lost. She understood the despair of bereavement; her son, Russell, was on the *Bounteous* in Jan last year. The fishermen take losses with a sea.

Some were preparing to return to sea if the west gave them a chance: six boats with strong confidence, would return with hesitation to a sea that is so often overwhelmed them. Mr Kenneth Ritchie, aged 45, was on the *Celery*, sailing half a mile behind *Celery* through the Penn Firth in the early morning darkness on Wednesday.

"We were following her cause Sandy Bruce, the skipper, knew the waters well. He knew them well. The weather was p and the wind and tide pushing us along. We were waiting to see which way he was going to take."

"I heard the *Celery* was going down. Sandy said he was going down to make a cup of coffee. Then the weather was p and the wind and tide pushing us along. We were waiting to see which way he was going to take."

"We could not stop search, the tide was sweeping us along and eventually we were on the radio. What happen I do not know."

Six London councillors join Social Democrats

By a Staff Reporter

Six Labour councillors in the London Borough of Islington have joined the Council for Social Democracy.

Led by Mr James Evans, the Mayor, they resigned the Labour whip after a meeting on Wednesday.

The Social Democrats on Islington council, who intend to fight next year's municipal elections, will meanwhile form the main opposition to the ruling Labour group.

One of the former Labour councillors, Mr Patrick Sheeran, has also announced that he will be standing as a Social Democrat for Islington, North, in the Greater London Council elections in May.

Two other Social Democrat candidates for the GLC elections were also announced yesterday. Mr Michael Burton, a barrister, will contest Putney, a former Labour councillor for North Ealing, will stand in a seat yet to be decided.

Mr Clive Killick, a leading Conservative in Hammersmith and Fulham Borough Council, has joined the Social Democrats. He was expelled from

the Conservative group when he voted against it at a meeting to fix the rates.

Ex-chairman quits: Mr Christopher Cousins, chairman of South Ealing Labour Party until last year, has joined the Social Democrats, only two weeks after being accepted as a potential Labour parliamentary candidate (our Weymouth correspondent writes).

Fabians' ban: The Fabian Society is seeking to change its rules so that only those eligible to join the Labour Party could be full members.

The change, on which the society's 3,600 members will vote next month, would mean that members of the new social democratic party could not be full members. They could be associate members without voting rights.

The society's executive has accepted the resignations from the executive of four members of the Council for Social Democracy, Mrs Shirley Williams, Mr John Cartwright, Mr John Roper and Mr David Sainsbury.

On the *Sunday Times*, replaces Mrs Williams as chairman of the society.

Mr Rodgers hits back at 'abuse' by Labour leader

By George Clark
Political Correspondent

Answering criticism of Labour MPs who had joined the social democratic group, Mr William Rodgers, one of their number, last night invited Mr Michael Foot, the Labour leader, to debate the issue on its merits "and not abuse those who remain loyal to the principles and values for which the Labour Party once stood."

Speaking to trade unionists at Westminster, Mr Rodgers commented on the demand made by Mr Foot for the 13 MPs to resign and fight their seats again under their new colours.

He retorted: "If anyone should resign, it is not the social democrats but those who remain in a party that is significantly different from two years ago."

The real challenge today is to those still in the party who sail in a different ship, under a different captain, to a different destination. They are the ones who fly false colours.

Mr Rodgers said that in 1979 the Labour Party was led by a man deeply committed to the proper defence of Britain through membership of Nato, today it was led by someone who was ambivalent about defence questions.

New Front venue after ban on march

From Ronald Kershaw
Leeds

Although Mr William Whitelaw, the Home Secretary, has imposed a ban on the National Front march at Leeds on Monday and all other political marches in the city for the next month, the organization is likely to mount a demonstration in another part of Yorkshire.

The Anti-Nazi League, who had planned a counter-demonstration were attempting last night to discover the new venue.

The National Front march was ostensibly planned to call a halt to manufactured imports, but by coincidence a section of the nuclear campaign, Youth Against Missiles, and a public meeting of the Leeds Scrap the Atom campaign against racist laws were scheduled for Sunday.

Mr Ronald Gregory, Chief Constable of West Yorkshire, applied to the Home Secretary for a ban on the march after consulting the city councilors. Mr Andrew Brown, the National Front chairman, called the Leeds ban "outrageous". He said it was obviously a political ban because, he understood, objections to the march came from local politicians, not the police.

Political marches in Leicester have been banned for a month from tomorrow, as have marches in London.

North Sea oil millionaire becomes the eighth proprietor of 'The Spectator'

By Ian Bradley

The Spectator has been bought by Mr Alvy Cluff, aged 40, founder of Cluff Oil and a millionaire.

He has wanted to buy the 153-year-old literary and political weekly for the past three years and succeeds another wealthy proprietor, Mr Henry Keswick, chairman of Matheson and Company.

Mr Cluff is the eighth proprietor since *The Spectator* was launched but the fourth in the past 27 years. He has said that Mr Alexander Chancellor will continue as editor, and there will be no changes in the magazine's content or style.

Both sides in the sale refused to disclose the purchase price. Mr Cluff is not in the conventional mould of the oil magnate. He was educated at Stowe and was an officer in the Grenadier Guards and in the Guards Independent Parachute Company, where he saw service in West Africa, Cyprus and Malaysia, before going into business.

He joined Ionian Bank Ltd in 1964 and became involved in the launching of oil exploration in the North Sea. In 1971 he founded Cluff Oil



Mr Cluff: "An excellent read."

to apply for licences in new North Sea fields. The company, of which he is chairman and chief executive, is now the largest independent operator in the North Sea and also has interests in the Irish Sea, the Gulf, Australia, China and South America. His company's assets are valued at £33m.

About 1,000 clerical and computer staff at the Lloyd's centre at Samson House, London, will strike from 10 am on Monday.

About 230 employees will stop work from 4 pm on Thursday at Barclays' two centres, of Gloucester and Wythenshawe, Cheshire.

They will disrupt internal bank business heavily reliant on computer services, and are expected to close most automated bank cashpoints for the period of the strike.

BIFU, which represents 70,000 clerical staff in the present

The profits have enabled Mr Cluff to buy a 31-acre private island in Poole harbour and a 3,500-acre farm near Salisbury, Wiltshire.

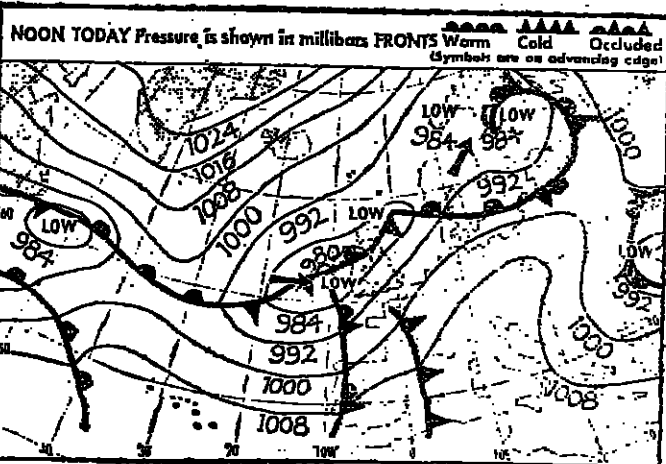
Mr Cluff stood as a Conservative candidate for Winchester, Ardwick, in 1966, but says that he no longer has political ambitions. He is a supporter of Mrs Margaret Thatcher and believes that businessmen should have a greater say in the running of the country.

He was delighted when Mr Keswick, who is a old friend, told him two weeks ago that he wanted to sell *The Spectator*.

Mr Cluff said yesterday: "It has always been very much part of my life. It is an excellent read. It is a radical magazine and I think it is rather a romantic notion to own something like that."

He said that he would not be making any changes in the staffing and did not want to influence editorial policy. "I work 18 hours a day on this oil company, so it would be difficult for me to have very much influence, anyway." But he would like to see the magazine's circulation increase from its present 17,000 to about 25,000.

Weather forecast and recordings



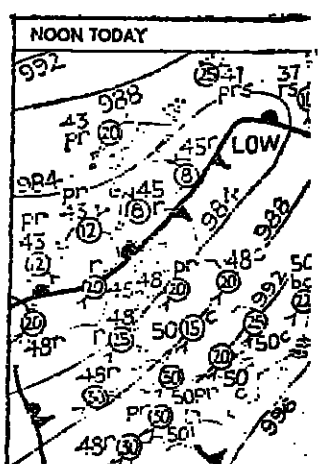
Today
Sun rises: 6.04 am
Moon rises: 6.24 am
Full Moon: 3.22 pm
Lighting up: 6.44 pm to 5.32 am

High water: London Bridge, 1.47 am, 7m; 2.09 pm, 7.2m. Avonmouth, 7.18 am, 13.1m; 7.40 pm, 13.1m. Dover, 11.06 am, 6.5m; 11.19 pm, 6.5m. Hull, 6.22 am, 7m; 6.28 pm, 7.4m. Liverpool, 11.19 am, 9.1m; 11.38 pm, 9.1m. Lowest low water, 11.38 am, 11.38 pm. Lowest low water, 11.38 am, 11.38 pm.

Pressure will be low over the British Isles, with troughs of low pressure moving across N. areas. Forecasts for 6 am to midnight: London, SE central S, central N, E. England, East Anglia, Midlands, Channel Islands: Mostly rather cloudy; scattered light showers: wind SW, fresh; maximum temp 10° to 12°C (50° to 54°F).

SW, NW, NE England, Wales, Lake District: Occasional rain and mostly cloudy; wind SW, fresh; maximum temp 10° to 12°C (50° to 54°F).

WEATHER REPORTS YESTERDAY MIDWAY: C, cloud; F, fair; R, rain; S, sun; N, sleet; SN, snow.



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Mother wins fight to reunite family

By Peter Evans
Home Affairs Correspondent

Privately arranged blood tests which confirmed that a woman born in Britain but of Pakistani descent was related to her children have persuaded the Home Office to let them be reunited in Britain. The case has raised serious doubts about the fairness of procedures being used to screen would-be entrants to Britain.

It coincides with an outcry about Filipinos being expelled from Britain because they failed to mention they had children at home when they applied for work permits. Mr Roy Hattersley, Labour spokesman on home affairs, is to head a deputation of trade union leaders to ask Mr William Whitelaw, Home Secretary, to stop the expulsions.

The blood test was given to Mrs Anwar Ditta and her husband, who live in Rochdale, and her three children in Pakistan. She has been trying since 1973 to bring them to Britain.

Mr Timothy Raison, Minister of State at the Home Office, ended the ban after new evidence produced in the Granada television programme, *World in Action*. A doctor was taken to Pakistan to obtain blood samples from the children.

Mrs Ditta was born in Britain and at the age of nine was sent back to Pakistan by her parents, where she married and had three children, Kanwar, now aged 11, Imran, nine, and Saima, eight. She followed her husband back to Britain expecting that her children would be able to join her, but the Home Office refused.

Last year the appeal tribunal rejected her plea. Two Filipino hotel workers, Mr and Mrs Arcadio Albesa, are being treated as illegal entrants because they failed to say they had children when seeking to work in Britain eight years ago. Now aged 17, he lives in the Philippines and his parents applied for him to join them in Britain.

That led to a Home Office decision to expel them on Monday. Mr Philip Pearson, of the Transport and General Workers' Union, who is responsible for its members in the House of Lords to have her expulsion delayed pending consideration of her case by the European Commission of Human Rights (the Press Association reports).

Lord Scarman said it was extremely worrying that a woman of Mrs Fernandes' age should be going somewhere where she had no relatives or roots, but that was not something that the Law Lords could take into account.

But I sincerely hope the Home Secretary will," he added.



Mrs Anwar Ditta, jubilant yesterday at the news that her children can join her.

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Dispute over auction charge may be settled

By Frances Gibb

The 12 leading art and antiques dealers who are due to bring a High Court action in October against Christie's and Sotheby's over the controversial buyer's premium are considering a compromise formula which could settle the long-running feud out of court.

The action, which is being brought by the 10 per cent commission the auction houses charge on top of the hammer price, is the climax of an acrimonious dispute that goes back to 1975, when the premium was introduced.

It has wide implications because not only Christie's and Sotheby's, but also Phillips and Bonham's in London and many provincial auction houses now compete for the same buyers.

Under it, the 10 per cent buyer's charge would remain but the extra 5 per cent surcharge for the buyers, except the trade and British museums and galleries. Private buyers would therefore pay 5 per cent more than they do now, unless they bid through a dealer and negotiate smaller commission rates.

Foreign buyers, including museums and galleries, would also pay 5 per cent more, which would put British museums at an advantage when competing for heritage treasures.

The two-tier system would benefit dealers and auctioneers, but the final details have yet to be agreed, as there are some on both sides who are determined to see the issue settled by the court.

A museum expert said: "Both sides have everything to gain by this formula. The only losers could be the private buyer in this country and private and institutional purchasers overseas who either bid themselves or ask the auctioneers to do so on their behalf. They will have to pay the extra 5 per cent."

But those private buyers could mitigate that imposition by negotiating a dealer to bid for them at a nominal charge. "In addition, the solution would go a long way to counter the conflict which can arise when auctioneers are asked to act for both seller and buyer."

If agreed, the deal will not only avert what promised to be a lengthy legal battle, possibly up to the House of Lords and costing thousands of pounds. It will also remove a bone of contention that has threatened to cause much damage to the British art market.

'Outsider' may be new university head

By Diana Geddes

Education Correspondent

London University is running into difficulties over the choice of its next vice-chancellor. The favourite is an "outsider", the vice-chancellor of another eminent university, though it is not yet known whether he would accept the post.

The new university statutes, approved by the Queen in Council last December, stipulate that the vice-chancellor will normally be chosen from among members of the university.

However, the 14-member committee set up in January to recommend a candidate to Lord Annan next September, has moved round to the view that in the present atmosphere of bitter tensions and rivalries within the university, arising in part from economic pressures and the Flowers and Swinerton-Dyer rationalization exercises, it might be preferable to appoint someone from outside.

He must, however, be the right man and only one person from outside is still considered a possibility.

Others, such as Sir Hermann Bondi, chairman of the Natural Environment Research Council, who is a former chief government scientist, and Sir Alec Morrison, Vice-Chancellor of Bristol University, chairman of the Committee of Vice-Chancellors and Principals, were considered but ruled themselves out early in the selection process.

The appointments committee, chaired by Lord Scarman, was expected to settle on a candidate at what was to be its final meeting last week, so that it could make a recommendation to the university senate when it meets next Wednesday; everyone is conscious of the pressure of time.

However, it failed to reach agreement, and another meeting has been arranged for March 30. That means the appointment is unlikely to be made before next term.

Some committee members still favour the appointment of an internal candidate. Two are under consideration.

They are: Lord Flowers, aged 45, Rector of the Imperial College of Science and Technology, who is highly respected but also excites antagonism, not least because of his committee's controversial report on London's medical schools (a secret survey of the heads of London colleges and institutes showed them equally divided for and against his appointment as vice-chancellor); and Professor Randolph Quirk, aged 60, of University College London who was runner-up to Lord Annan three years ago.

It is still possible that either of those two may be selected if the external choice falls through. Or if there was a difficulty over the external candidate being released from his post, a career vice-chancellor might be appointed for one year.

UK will sign European pact on data privacy

By a Staff Reporter

The Government is committed in principle to bringing in legislation to protect citizens against misuse of personal information stored on computers, Mr William Whitelaw, the Home Secretary, stated yesterday.

In a long-awaited written reply in answer to a parliamentary question from Mr K. Harvey Proctor, Conservative MP for Basildon, he said such legislation would be brought in "when an opportunity offers".

The legislation would enable the United Kingdom to ratify the Council of Europe Convention on data protection, he said. In the meantime Britain would take the first step of signing the convention, as had been done by seven other European countries.

But the Government will not be setting up a data protection authority, a statutory body to oversee the use of computer data, as proposed by the committee under Sir Norman Lindop in 1978, Mr Whitelaw said.

The basis of the Government's proposals would be a public register on which all users of systems storing personal information would be required to register. That would provide some access to information by those on which it is held.

Registration will require a description of the system and its purposes, and provision of a code of practice followed by the user. There will also be provision for adequate security arrangements. The legislation sanctions to ensure compliance.

The statement had been awaited not only by computer users and the industry who feared loss of trade without protective legislation on the lines of European trading partners, but also by the medical profession and civil libertarians. The British Medical Association yesterday welcomed the moves to safeguard personal information, but was disappointed that no date had been set for introducing legislation and that there were no plans for a data protection authority.

The National Council for Civil Liberties, which has been closely involved with the Home Office on data protection proposals, welcomed the commitment for legislation but deplored the failure to promise it for the next session of Parliament.

"More signing of the European convention without ratification is not enough to reassure the international community about Britain's willingness to abide by privacy standards," said Patricia Devlin, the general secretary, said.

No talks on Ulster's role, Dublin says

From Christopher Thomas

The Irish Republic has conceded that its confidential series of talks with the British Government do not include discussion of Northern Ireland's constitutional position.

After three months of intense and contradictory Irish government sources the record was put straight by Mr Brian Cohan, the Irish Foreign Minister, in a Dublin television interview.

But he fuelled further speculation by declaring without elaboration that the sum of the talks was to proceed towards partnership in Northern Ireland, a relationship between a province and the republic and between Ireland and Britain. That appeared to raise an issue once more of power-sharing in Ulster.

Mr Frank Chuskey, leader of the Labour Party, demanded in a Daily Express article that the Irish Government should view of Mr Lenihan's remarks, but was ruled out of order by the Speaker.

Nevertheless, there was a sense last night among both the opposition parties at least that they saw as the possible int consideration of the contentious question of partnership power-sharing in Northern Ireland.

Mr Lenihan confirmed what a British Government has been saying all along, that the int studies that have been der way since January are concerned primarily with new institutional structures, not constitutional change.

His statement will have two mediate effects. The bizarre "arson trail" rallies the chair of Ian Paisley must now lose me of their steam. Secondly, a ruling Fianna Fail party is no position to make inflated int talks when it calls the general election probably to be held in the summer.

Ex-reporter 'distrusted the police'

From Michael Horsnell

Middlesbrough

Mr Julian Mounter, a former reporter on *The Times*, decided not to give the police evidence of police corruption in the middle of an investigation by the newspaper because he was afraid it would be swept under the carpet by investigating officers, he told Teesside Crown Court at Middlesbrough yesterday.

He was being cross-examined by John Symonds, a former Metropolitan Police detective sergeant, who has been accused of corruptly accepting a total of £150 from a criminal.

Mr Mounter, now an executive producer at Thames Television, said tape recordings had been made of conversations between Mr Symonds and Mr Michael Perry, the former criminal.

He told the court: "At this time there had been allegations against police officers at Scotland Yard which in the broad opinion of many journalists had not been properly pursued. It was felt that things got swept under the carpet, and we were anxious that that did not happen."

Mr Symonds, aged 45, has pleaded not guilty to three charges of corruptly accepting money in return for assisting Mr Perry over an arrest, and is conducting his own defence. The Crown alleges that he fled the country shortly before his trial at the Central Criminal Court and returned only last May.

Asked by Mr Symonds if he had carried out the investigation to further his career and boost the newspaper's circulation, Mr Mounter said: "The *Times* was at the time trying to increase its circulation, but to suggest we were trying to pervert the course of justice is scurrilous."

Mr Mounter denied that money allegedly paid by Mr Perry to the detective had been supplied either by himself or by Mr Gareth Lloyd, another former reporter on *The Times*.

He added that Mr Perry's payments by instalments to Mr Symonds were not arranged to facilitate extra meetings between the two which could be tape-recorded for further evidence of corruption.

Questioned about the tape recordings, Mr Mounter said: "These tapes showed us were inciting people to crime and that you were a corrupt officer. The whole point of the exercise was catching you in the act of taking money from a criminal. These tapes were showing horrendous things."

The hearing continues today.

Three acquitted before riot jury retire for second night

From Lucy Hodges

Bristol

The jury in the Bristol riot trial yesterday acquitted three men charged with riotous assembly after the disturbance in the St Pauls area on April 2 last. They spent the afternoon in an hotel and will consider their verdict on the other five defendants today.

The first acquittal came in the morning after the jury had spent the whole of Wednesday reaching a decision. The next two acquittals came last night after they had sat for a further six hours.

Originally, 16 people were charged with riotous assembly, but eight of these cases were dismissed earlier for lack of evidence.

Clinton Brown, aged 24, of Halston Drive, Bristol, was the first to be acquitted yesterday. He emerged from Bristol Crown Court to be greeted by his white girl friend and daughter aged two. He went to a public house for a celebratory glass of champagne.

The trial, he said, had put a great strain on his family life. "I knew I was not guilty, so right was on my side."

The case against Mr Brown was based on the evidence of Police Constable Hunt, who said he saw him run forward and throw a bottle. Mr Brown said he was only looking on and had done nothing.

In his summing up Mr Justice Stocker told the jury to exercise great care when considering the case against Mr Brown.

The other two defendants who were acquitted last night were Clive Edwards, of Hartgate Road, Bristol, and Clifton Mighay, of Campbell Street, Bristol, both aged 17.

The case against Mr Edwards also rested on the evidence of PC Hunt, who said he saw him throw a stone, later described as a brick, at a policeman.

Mr Edwards, who gave evidence on oath, said the police had made a deliberate mistake in arresting him. They had been chasing another man, who got away, so they had arrested him instead. He denied throwing anything.

Mr Mighay said he had been only a spectator and had taken no part in the disturbances. Two policemen said they had seen him from a hundred yards away and that he had thrown a stone. His counsel questioned whether someone could be identified at that distance.

Insurance companies set up ombudsman for customers

Margaret Stone

Nine large insurance companies yesterday set up an independent ombudsman to look after the interests of policyholders with unresolved grievances against a member company.

Mr James Haswell, a solicitor with wide experience in private law and in the Army Legal Corps, particularly in the legal area, has been appointed ombudsman and will be ready to hear complaints from March 30.

In the face of opposition from nine insurance companies, the new Bureau was devised by the leading insurers. General Accident, Guardian Royal Exchange and Royal Insurance, have put up £100,000 between them to start the scheme.

A six-member council of the Bureau is to act as an intermediary between Mr Haswell and the insurance companies. It will pay his salary. The chairman is Mrs Joan Macintosh, who is vice-chairman of the National Consumer Council.

Other council members are from consumer organizations as well as the Consumers' Association.

tion, citizens' advice bureaux and the National Federation of Consumers Groups, with two insurance company representatives.

The creation of an insurance ombudsman, even though he will not be able to intervene on behalf of policyholders from non-member companies or adjudicate on life insurance cases, was welcomed yesterday in many quarters.

Mr Gordon Borrie, Director General of Fair Trading, said: "I have criticized the general stance adopted by the insurance industry towards customer complaints."

"The launch of the Insurance Ombudsman Bureau will change this situation for the policyholders of its member companies, as it offers them a free and impartial service comparable with arbitration."

Companies which are members of the Insurance Ombudsman Bureau are British Reserve Insurance, Ennia Insurance, General Accident, Guardian Royal Exchange, Hodge General, Legal and General, Nalco Insurance, Phoenix Assurance and Royal Insurance.

Business News Diary, page 19

Unemployed youths will be allowed to serve with British Army of the Rhine

By Mark Jackson

of The Times Educational Supplement

Jobless teenage volunteers will be able to serve with the Army in Germany under the military training scheme for the unemployed that the Government is preparing to announce. They will be trained as soldiers and join the garrison regiments defending Western Europe.

Ministers have accepted that the best way the Services can help the young male unemployed is to offer them the chance to enlist as soldiers, training and serving with regular recruits. The only difference will be that they will be paid much less and be free to leave at any time during their six months' engagement.

The plan is set out in a confidential paper from the Department of Employment to the Manpower Services Commission.

It says that the Ministry of Defence is ready to offer a special short-service engagement to a first batch this year of 1,000 youths aged 17 to 19 who have been on the unemployment register for more than six weeks.

Up to 750 will receive general military training at infantry depots and then be posted to units at home or in the British Army of the Rhine. The rest will get some kind of technical training, more than half as combat engineers or vehicle mechanics.

The Army is insisting on applying its normal selection criteria and will prefer 17-year-olds. They will get the youth opportunities programme scale allowance of £23.50 a week, compared with the £27.50 paid to regular recruits, but will not be charged for their food.

The youngsters will be able to leave freely, but during their service will be subject to the Army Act, 1955. They could, it appears, be made to complete any prison sentences imposed by courts martial for offences committed while they are with the colours.

The Department of Employment is asking the Manpower Services Commission whether it is willing either to include the scheme in its youth opportunities programme for the young unemployed or to pay for it as a separate operation.

Commission officials have advised the commission's special programmes board that "there is no possibility that the scheme could be funded within the framework of the youth opportunities programme".

Lord Gower, the Minister of State responsible for youth employment matters, said in a television interview on Tuesday that "military training would not be appropriate under the youth opportunities programme".

Each of the American studies envisages a far larger and more financially economic aircraft than Concorde, which can carry up to 100 passengers. More are looking at an aircraft which would seat 250, with engines than those powering Concorde.

far between British Aerospace and Nasa, Concorde 202 would be used as a flying test bed for experiments which could be incorporated into a new advanced supersonic transport.

Most of the experimental flying would take place in Britain sources available here.

Mr Heseltine aims to finish resurvey of historic buildings by 1984

By John Young

Planning Reporter

A bus shelter in Essex and a public house in Birmingham are among 25 more buildings of the interwar period which Mr Michael Heseltine, Secretary of State for the Environment, has listed as of historic or architectural interest.

Mr Heseltine also told a conference in London yesterday, organized by the British Tourist Authority, that he intended to speed the national resurvey of buildings with the aim of completing it by 1984.

A modest increase in his department's resources would be needed, but he intended to draw much more extensively than at present on the assistance of county councils. He expected to use private consultants in setting up and monitoring the fieldwork and providing advice.

Although he could not hold out any prospect of relief from value-added tax on repairs to historic buildings, a point of "irreconcilable conflict" between his department and the Treasury, the Government could still be proud of its achievement in the heritage field, he said.

While his department was being asked to cut overall expenditure sharply, it was increasing resources for historic buildings grants in England by 11 per cent in real terms in the next financial year.

In response to a recommendation in a recent report by the tourist authority and the Historic Buildings Council, he had decided to make low-interest loans available through the council as an alternative to grants. Such loans were not intended to supplant grants, but would have the effect of increasing resources by "recycling" part of the money available.

The latest batch of listed interwar buildings, the third to be announced since last October, brings the total to 74. Among the best-known are Colston's Great Crested Tortoise, north-west London; the Philharmonic Hall, Liverpool; the Queens Hotel, Leeds and the Council House, Bristol.

"The listing of relatively recent buildings will never be uncontroversial," Mr Heseltine told the conference. "But I believe we have a duty to protect major buildings by important architects, and representing major schools of architecture, so that future generations can make their own decisions."

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In response to a recommendation

Civil Service in turmoil as it faces a long and bruising fight for pay peace with Government

By David Felton and Frances Williams

When Lord Soames, Lord President of the Council and Minister responsible for the Civil Service, flies to Zimbabwe today he will be leaving behind a service in unparalleled turmoil. His absence during his visit to the country he helped to bring into being will have no effect on attempts being made to effect reconciliation between the Government and its 540,000 white collar civil servants.

The annual pay bill for that group is £4,500m and a 1 per cent pay increase would cost about £45m. But these attempts, which are centred on producing a new system of bargaining to replace the pay research system in its present form are likely to be long and protracted. In the meantime the unions, demanding a campaign of industrial action as the controversy over whether civil servants deserve an increase of more than the 7 per cent on offer, will continue. In previous years, except during periods of incomes policies, the starting point for fixing civil servants' pay increases has been the Pay Research Unit, which was set up in 1956 on the recommendation of the report of the Priestley royal commission.

The commission said the overriding aim of the Civil Service pay system should be to ensure that civil servants received an efficient and staffed by members whose remuneration and conditions of service are thought to be fair both by themselves and the community they serve.

The Pay Research Unit, headed by Mr Vernon Morgan, has a staff of about 70 who, during the year, get in touch

with as many as 320 companies and organizations to ascertain salary levels for jobs which can be compared with similar posts in the Civil Service.

The unit takes into account levels of responsibility, numbers of staff supervised, working conditions and other factors which in the end enable unit staff to put a value on the comparable job.

For each Civil Service grade the unit looks at about 55 outside jobs. The Civil Service rates are set roughly in the middle of the range so that at any time some employers will be paying more and others less than civil servants receive.

The random sample shown in the accompanying table is necessarily superficial and may be unrepresentative, but the results do not support the notion that civil servants are grossly overpaid.

Of six grades for which we could get equivalent outside figures, five were better paid in private firms, by about 11 per cent on average, even without fringe benefits being taken into account.

Most of the salary levels in the private sector were fixed in last year's pay round and are now being renegotiated.

The private sector workers got a wide selection of fringe benefits, some worth a great deal. For example, a copy typist working for a big oil company in London gets £1.50 a day meal allowance, worth about £330 a year.

Bank workers, after a few years' service, can be eligible for 5 per cent house loans, which compares with the present mortgage interest rate of 13 per cent. A company car could be worth up to £2,000 a year.

The main "perk" for a civil servant is obviously the index-linked pension, although some staff working in headquarters buildings also have access to subsidized canteen meals. Our figures include London weighting where applicable for both the Civil Service and the private sector.

In the Civil Service the payment for working in central London is £1,016 a year, compared with £950 for a copy typist working for an oil company and £1,261 for a bank cashier.

The London weighting for civil servants is based on the extra costs of housing and travel in the capital. The outer London allowance is £424 a year.

In general, holiday entitlements are broadly similar to those in outside industry, with variations from grade to grade. The nine unions maintain that if holidays and working hours are taken together, civil servants are slightly worse off than their outside counterparts, but that is disputed by the Government, which says their conditions are marginally more favourable.

The principle of job security is a vexed issue for the Government and the unions. The Prime Minister asked the Scott inquiry into index-linking of pensions in the public sector, to assess job security, but the inquiry said it was unable to make a recommendation.

It pointed to large job losses in the public sector.

Since the Conservative Government came to power in May, 1979, the Civil Service has been reduced by 5 per cent, which is less than half the drop of nearly 12 per cent in employment in manufacturing industry.

Anger over treatment by press and public

Mr Stuart King is aged 48, married, with four children aged five and under and has been a civil servant for 12 years. He works in a social security benefits office in north London and as his pay slip shows takes home each month £346.75 or just over £86 a week.

During his working day Mr King, who has an Oxford honours degree, deals with people making claims for benefits. "Sometimes it can be pretty unpleasant," he says. "People working in offices like this and in the inland revenue are likely to be attacked by the public and sometimes they spit at you."

Mr King was an infantry officer during his national service, joined Shell as a marketing executive after he left the Army but was made redundant. He is paid the maximum for his grade as a clerical officer.

"I am probably too highly qualified for this job, but with unemployment as it is, there are plenty of people coming in who would normally not have been considered joining the Civil Service," he says.

"The problem is we are working with an antiquated system on the whole. It is much more work to do and the public quite naturally are screaming at us for the money they think they deserve."

Mr King says civil servants are angry at the treatment they receive from the Government and the press. "As people maintaining the essential fabric of the state just as much as the armed forces and the police, we are surely entitled to the respect of the nation and Government and to a living wage."

He blames the Government for its irresponsibility in suspending the principle of comparability, which he said was designed to keep "the Civil Service out of political strife".

"We are therefore reluctantly compelled to demonstrate our industrial muscle in order to have any chance of a just settlement. Any long-term damage to the Civil Service, the morale, status and industrial relations procedures rests fairly and squarely with the present Administration and nobody else."

Mr King welcomes the work

PAY STATEMENT

ON HANDED TO SCALE 31.07.80-31.07.80

PLATE 100 RATE FOR OVERTIME 22.163

NAME: MR A S KING (10907)

DATE: 27.03.81

TIME: 07.00-18.00

LOCATION: 4995 50

GRADE: 2703000

BASIC PAY: 37,000.00

LONG SERVICE: 1,016.00

LONDON WEIGHTING: 424.00

TOTAL PAY: 38,440.00

DEDUCTIONS: 1,000.00

NET PAY: 37,440.00

being done by Sir Derek Rayner, joint managing director of Marks and Spencer, who was asked by the Prime Minister to investigate ways of reducing waste in the Civil Service.

"I think Derek Rayner is doing a very good job through bringing a commercial approach to the Civil Service, because there is a lot of waste. But the country should decide how big a Civil Service it can afford and then pay the rate for the job. Getting people on the cheap is very counter-productive," Mr King commented.

Mr King welcomes the work

Unit studies firms for salary equivalents

Armed with exhaustive Civil Service job descriptions, the Pay Research Unit secures private companies for precise salary equivalents.

Last year nearly 320 concerns, including Barclays Bank and George Wimpey, provided comprehensive information on every aspect of pay, including bonuses, fringe benefits, pension arrangements, promotion prospects, gradings, hours of work and holidays, as well as salaries.

The raw data, compiled over many months, is then handed over to the Civil Service Department, which represents the management side, and the nine Civil Service unions, only to be subjected to the complex adjustment procedure summarised in the accompanying table.

First, the maximum of the scale is adjusted to ensure that it is one attainable by all staff and not just by a small proportion. The deduction of London weighting gives the "national basic salary".

To the basic salary is added any productivity or profit-sharing bonuses, often 3 to 4 per cent of salary for private office workers, and pension contributions, also about 4 per cent on average, are deducted.

Settlement date for the Civil Service is April 1 each year. But the pay investigations by the Pay Research Unit relate to salaries fixed the previous year.

Example: Private post comparable to senior executive officer

Step 1: Pay Research Unit combs outside firms for jobs comparable to those done by civil servants and provides detailed information on their salary scales, pension schemes, bonuses, fringe benefits, etc, which is passed to the Civil Service Department and the unions.

Step 2: Salary scale is adjusted to ensure maximum is attainable by all staff and London weighting is removed, to give basic salary.

Step 3: To basic salary is added bonuses plus quantifiable fringe benefits (car, free meals) less pension contributions, to give total earnings.

Step 4: Total earnings are uprated by a proportion of previous year's inflation rate (eg 15% in 1980) to allow for fact that private companies will be settling in current year at levels higher than those found by Pay Research Unit.

Step 5: Quantifiable fringe benefits are added to give true money rate.

Step 6: The government Actuary uses information on private pension benefits collected by Pay Research Unit to calculate standard percentage deduction for extra benefits of Civil Service index-linked pensions (3.8% in 1980).

Step 7: True money rates are adjusted for differences in working hours and holidays.

Step 8: Unions and CSD haggle over unquantifiable factors: job security for civil servants versus cheap loans and mortgages for some outside jobs.

Typical maximum 1980 salary: £3,840

£111

£9,786

£527

£405

£9,910

£1,194

£11,104

£530

£11,634

£444

£12,240

Probably balance out

£12,240

Other economy exercises should feature in the White Paper are its "chain-of-mind review", designed to slim the Civil Service and reduce duplication of effort, and several lower cost-saving studies of the Whitehall services such as messengers and cleaners.

The White Paper will emphasize the importance of Lord Soames' manpower in reducing that figure, target is a Civil Service 630,000 by April, 1984. Government inherited 731,000 and the present is 695,100.

Other factors whose importance is emphasized in the White Paper are the new style of administration and the simplification of office procedures by introduction of new technology and the reviews through Derek's guidance such as recently completed lower cost-saving studies of the Whitehall services such as messengers and cleaners.

The White Paper will down economy objectives ministries will be obliged to meet and against which performance will be judged by ministers and Parliament. Allied aim is for government bureaucracy to interfere less in the life of the citizens.

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Stricter code agreed on car sales, servicing and repairs

By Peter Waymark

Motoring Correspondent

A revised and stricter code of practice on the sale, servicing and repair of new and second-hand cars was announced yesterday. It is the result of 18 months of discussions between the Office of Fair Trading and the motor trade associations.

Mr Gordon Borrie, Director General of Fair Trading, said the code was significantly more demanding than the original code, which came into operation five years ago, but it needed the right level of support from the trade.

"The trade has been heavily criticized in recent months; as recently as Monday of this week serious concern was expressed on both sides of the House of Commons about the poor level of service many people receive."

"I shall want to see compelling evidence in the next monitoring report that trading standards have been raised in all areas covered by the code. I am convinced that the trade associations intend to work to make the code bite. I very much hope it does."

The code is supported by the Society of Motor Manufacturers and Traders, which represents car manufacturers, and the Motor Agents' Association and Scottish Motor Trade Association, whose members account for 85 per cent of cars sold through garages.

The most important new provisions relate to used-car sales and to repairs and servicing, the two areas which Mr Borrie said, were causing the greatest concern.

On used cars the new code obliges garages to disclose any defects on an approved checklist, which must be prominently displayed in the car and given to the customer before any sale.

The revised code also contains tighter provisions against "clocking" (turning back mileometers). Car mileage readings must be verified by a signed statement from the previous owner, and if that is not possible the customer must be told.

On repairs and servicing, the code emphasizes the legal obligation on garages to supply parts of merchantable quality and requires that repairs must be guaranteed against failure due to workmanship for a specific mileage or time period.

Estimates must be given for important servicing and repair work, with firm quotations wherever possible. Garages must make it clear whether servicing is being carried out in accordance with the manufacturer's recommended servicing schedule.

The main change in the code on new cars is that a copy of the checklist relating to the pre-delivery inspection carried

out by the dealer must be given to the customer.

Mr Alan Dix, director general of the Motor Agents' Association, said: "We are totally committed to this code. Any member not complying will be required to appear before our disciplinary committee and may be expelled. There were five expulsions last year and the figure this year will probably be higher."

Mr Dix said copies of the code were being sent to all member garages, with instructions that staff dealing directly with the public should be made aware of it, and £100,000 would be spent on a national advertising campaign.

The Consumers' Association, which has accused garages of "appalling incompetence and dishonesty", said the revised code was fine as far as it went. But standards of servicing would begin to improve only when there was an effective system of monitoring and spot checks.

"Without an initiative of this kind, consumer organizations will have to reflect the despair and irritation of their members by pressing for a statutory remedy, perhaps ultimately the power to order a persistently defaulting garage to cease trading," the association added.

Motoring, page 12

More kidney transplants taking place

By a Staff Reporter

Kidney transplant operations are increasing again after the controversy over brain-death stirred up by last year's Panorama television programme.

Figures from the United Kingdom transplant centre show that after dropping by more than half to under 60 transplants in each four weeks in the period after the transmission last October, the number increasing, although it is not yet back to the peak reached last year of 103 transplants in a four-week span.

In the most recently completed four-week period, 84 transplants were performed. Figures for recent weeks suggest the next four-weekly total will also be in the high seventies or eighties. The waiting list for transplants has, however, soared from 1,425 just before the television programme to 1,976.

Dr Benjamin Bradley, medical director of the transplant service, said the rise in the number of transplants was probably because of restored confidence among both the public and the doctors in the criteria by which brain-stem death is established.

The potential for transplants is, however, far greater than the numbers performed. About 2,600 people a year die in road accidents, soaked from 1,425 just before the television programme to 1,976.

Dr Benjamin Bradley, medical director of the transplant service, said the rise in the number of transplants was probably because of restored confidence among both the public and the doctors in the criteria by which brain-stem death is established.

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The £50 note which the Bank of England will issue today.

Dog show judge cleared of corruption

Mr Leslie Atkinson, an international dog show judge and breeder, was cleared of alleged corruption yesterday by order of the Director of Public Prosecutions.

Mr Atkinson, aged 67, who has been a dog show judge for 36 years, pleaded not guilty to a charge alleging that he corruptly agreed to accept £15 to act in a biased manner at a North of England dog show in 1978.

He was one of four men charged with corruption after a Sunday newspaper claimed they accepted bribes. Two were cleared in court cases and the DPP decided not to proceed against the other man.

Woman licensee wins fight to stay on after 60

Mrs Gladys McNulty, aged 62, who is tenant of the Lord Napier public house in Holme, Manchester, yesterday won a test case to prove a brewery had broken the Sex Discrimination Act when it told her she should retire at 60.

Judge Basil Gerrard at Manchester County Court ruled that the brewery, Greenall Whiteley's, was wrong to try to force her to retire at the age of 60, when men could stay until 65.

The judge said that because Mrs McNulty and other tenants should be classed as self-employed, it contravened the Act. The brewery could either allow her to keep the licence or risk paying damages.

Mancunians to lobby MPs on city's crisis

From John Chartres

Manchester

A train has been hired from British Rail to take 300 influential Manchester citizens to London on Tuesday for a mass lobby of Parliament on the city's economic plight.

The party will include representatives from such diverse bodies as the Catholic Welfare Society of the diocese of Salford and the Manchester branch of the Communist Party; the Manchester Chamber of Trade; as well as Mr James

Hetherington, the town clerk. The Dean of Manchester Cathedral, the Very Rev Alfred Jowett, intends to hand in at 10 Downing Street a bound copy of written submissions about the city's difficulties.

Some delegates will hold talks in the morning with Mr Michael Heseltine, Secretary of State for the Environment, while others will meet MPs.

The main burden of the complaint against the Government is that the city's loss of assisted-area status next year will aggravate its serious unemployment rate, now 14 per cent,

and that the block-grant system for rates is bringing hardship to industrial cities.

Councillor Gordon Conquest, chairman of Manchester Education Committee, and others will discuss with Mr Rhodes Boyson, Under-Secretary of State for Education, the effect of the new rate support grant on the city's education service.

Councillor Norman Morris, the Labour leader of Manchester City Council, said in a statement yesterday: "This lobby is not a city council gesture. It comes from the whole community

White Paper guide to leaner Civil Service

By Peter Hennessy

Whitehall is putting the finishing touches to a White Paper on efficiency in government which will serve as a charter and a guide to the Prime Minister's new-style, leaner, more economy-minded, and less interventionist Civil Service.

Hints about its contents were contained in two earlier White Papers, the Treasury's document on public spending published last week and the Government's reply last month to the Commons Select Committee on the Treasury and Civil Service about the future of the Civil Service Department.

The efficiency White Paper is due to be published before Easter, but the irony in producing such a document when large sections of the Civil Service are on strike is not lost on ministers, and its appearance may be delayed if industrial action is still in progress next month.

It is being prepared by the department's functions and programmes division, led by Mr Sandy Russell, an under-secretary, with close attention from the department's ministerial team of Lord Soames, Lord President, and Mr Barney Hayhoe, its Minister of State.

Their paper will bring together many of the changes that have resulted from Civil Service Department initiatives since the Conservatives took power and the suggestions that have sprung from a document entitled *The Conventions of Government*, presented to the Cabinet last spring by Sir Derek Rayner, joint managing director of Marks and Spencer and Mrs Margaret Thatcher's adviser on the elimination of waste.

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Post-mortem of a mummy

WHAT CAR APRIL 1981. REVIEW OF DIRECTORS CARS.

Annual review/cars of the year

Seven's heaven

German built cars dominate our costliest category with BMW's luxury Seven series models taking the top two places

DIRECTORS CARS	Value	Comfort	On the road	In service	Costs	Total
BMW 728i	15	18	18	18	15	82
BMW 728i	15	15	17	17	15	80
Opel Senator 3.0CD	16	17	18	16	12	77
Audi 200 ST	14	14	15	16	14	76
Daimler Sovereign	13	16	15	15	14	75
Rover V8S	14	14	15	15	16	74
Lotus Elite S2.2	12	15	17	14	14	72
Alfa Romeo Six	10	12	13	11	13	59

BMW 728i £12,435 80pts

BMW 732i £14,325 81



BMW's 7-series range has been considerably improved - so much so that the 3.2 litre 7.23i now tops our list. The 3.2 litre 7.23i replaced the 3.0 litre 7.23i, formerly BMW's most luxurious model. It still retains a luxurious interior, including the 3.2 litre 7.23i's management electronic system running on a six cylinder power

OPEL SENATOR 3

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Address (Town/Village) (County) (Postal Code)

Age if under 18 Persons Car Year of registration

THE ULTIMATE DRIVING MACHINE

'Detente is dead' claim is repudiated by State Department

From Patrick Brogan
Washington, March 19

Mr Alexander Haig, the Secretary of State, has reaffirmed a resolutely anti-Soviet foreign policy. He told a Congress committee today: "Soviet adventurism in the Horn of Africa, in the Gulf and in South Asia, in the Gulf and in South Africa, appears to conform to a basic and ominous objective: to strike at countries on or near the vital resource lines of the West."

Yesterday, he accused the Soviet Union of operating training camps for "embryo Third-World terrorists" and of pursuing "interventionism" in nearly every area of the globe. At the same time, however, the State Department repudiated an interview given to Reuters by Richard Pipes, an official on the National Security Council, who said that "detente was dead" and that broad negotiations with the Russians were impossible under present circumstances.

Rebukes denouncing the Soviet Union in general, Mr Haig has made a number of specific points. He said that the United States might have to supply up to 2,500 troops for the international peacekeeping force that is to start policing the Sinai peninsula when Israel completes its withdrawal in April next year.

Soviet suspicion: The row in Washington over the remarks made by Mr Pipes, a neo-conservative, Soviet convictions that the Reagan Administration, whatever its public denials, is not interested in further disarmament talks with Moscow at present (Michael Eizenstat, a senior official in the State Department, said that the administration was not interested in further disarmament talks with Moscow at present).

Soviet leaders are easily attracted by conspiracy theories, and hardliners will find satisfying proof in Mr Pipes's statement that detente cannot be trusted and has now revealed its real stance.

This might be used to diminish the influence of such figures as Professor George Arbatov, head of the Soviet Institute of the United States and Canada, and sometimes identified as a liberal on relations with America.

Professor Arbatov could have been the main Kremlin adviser who suggested that President Brezhnev should take a soft line with the Americans in his speech at the party congress instead of engaging in polemics, as this would be more disconcerting in Washington and politically effective in Western Europe. Indeed, he was at pains recently to justify the soft approach in a recent Pravda article which suggested Mr Brezhnev's sudden offer of a summit was a triumph of Soviet diplomacy.

Mr Benn says all Europe must cooperate or perish

By David Wood

Mr Wedgwood Benn expounded his view of the Labour Party's policies for nuclear disarmament and for a wider and less limited Europeanism than the EEC offers when he delivered in Lisbon yesterday the second of four lectures on the joint banners of the BEC and the Gulbenkian Foundation.

Last year Mr Edward Heath spoke about the EEC; yesterday Mr Benn called his lecture "Europe: a new perspective" and saw a vision of a new and wider Europe that overcame ideological differences between East and West.

He posed the question of cooperation between East and West Europe and said that if Europe were to survive a nuclear holocaust the task must be attempted. "There must be fresh thinking and a new agenda," The Kremlin feared any genuine test of public opinion in a free election; the United States had its own worries, but the United States and the Kremlin were mistaken if they believed that the other was seriously planning for world domination.

Security review delay pains West

From Richard Wigg
Madrid, March 19

Western diplomats attending the European security review conference are now clearly depressed at the time that any progress in what should be the concluding phase.

Several Western delegations are known to be pressing for an end to the Madrid meeting before Easter week. But there was also talk in the conference corridors today about a fortnight's recess over Easter.

The 35-nation conference began last September. Belgium, West Germany and the United States have all gone on record in plenary session expressing deep concern at the lack of any real movement.

West Germany and Belgium have argued that the time has come either to get down to writing as substantive a concluding document as possible, or to accept closure of the meeting as a casualty of present East-West tensions and let the so-called Helsinki process for detente await kinder times.

"We must finally know where we are," Herr Jörg Kastl, leader of the West German delegation, declared bleakly. "In order to restore the reputation of this meeting, which has already begun to suffer in popular eyes, all these delays, what is required now is for us to get down to giving prompt answers to the issues before us."

Refusal to ratify Canada deal angers Germans and strengthens Paris-Bonn alliance

British stand on fishing threatens to sour EEC summit

From Michael Hornsby
Brussels, March 19

The latest turn in the EEC fisheries dispute, which threatens to create a most unpleasant smell at next week's summit meeting in Maastricht, has pitted Britain against West Germany.

This must be confusing to people in Britain accustomed to seeing the fisheries quarrel presented as a straightforward British-French dust-up of a familiar Community variety.

The dispute remains, in fact, essentially a Franco-British affair. The new German dimension is merely a complicating variation of an underlying theme, though none the less damaging to Britain's relations with its EEC partners.

The story could be said to have begun last May when Britain came under pressure to offer concessions over fisheries in return for the deal struck by EEC foreign ministers on reducing Britain's contribution to the Community budget.

Britain, with its rich fishing grounds, had long demanded the main share of the Community fish catch, and insisted on the right to reserve fishing in coastal waters mainly for its own trawlers.

None of these demands was abandoned, but as a gesture of goodwill Britain did accept a commitment, together with her partners, to put a new Community fisheries policy into effect by the end of last year.

Good progress was made during the second half of last year, but in December negotiations broke down on the crucial issues of catch shares and access for French trawlers to British coastal waters.

France was widely blamed for the impasse, and there was probably more sympathy for the British case than at any time during the previous months and years of argument, when Britain had been isolated.

Unfortunately, Britain also refused to ratify fisheries agreements between the EEC and non-Community countries until an internal fisheries policy had been established.

Among the agreements affected was one with Canada, which should have gone into force on January 1.

The Canadian agreement would have allowed West German small deep-sea fleet into the rich cod-fishing grounds off Labrador and Newfoundland.

In return, the EEC would cut tariffs on imports of 24,000 tonnes of frozen cod, herring and redfish from Canada. The fishing season off Canada ends about mid-April, because the fish move elsewhere. Trawling is hazardous because of drifting ice. So unless the Canada deal can be ratified now it will be of little use to the Germans this year.

The British veto was at first thought to be largely tactical, and a way of keeping pressure on Bonn to support an overall fisheries settlement acceptable to Britain. If so it is a tactic that has seriously misfired, having merely reinforced the Franco-German axis, which had earlier shown signs of waning.

But the British now say they have a more practical fish that would come to the aid of the already depressed British market, which is ill-protected under existing EEC policy against cheap imports.

EEC foreign ministers tried earlier this week to agree on new market-strengthening measures, including a ban on cheap imports, that would enable the British to lift their veto on the Canadian deal and thus appease the West Germans, leaving the rest of the EEC fisheries policy to be decided later.

Some progress was made, and the permanent committee of EEC ambassadors is to meet tomorrow to try and put together a compromise on the basis of a new proposal from the European Commission. But there appears to be only a slim chance of agreement before the summit.

Mr Moshe Dayan, the Israeli war hero and former Foreign Minister, announced today that he was coming out of semi-retirement and returning to active politics in time to lead a new centre party at the general election in June.

The decision comes after weeks of speculation about the possible creation of a new party, which observers expect to have a significant effect on the outcome of the poll—possibly depriving the Opposition Labour Party of an expected landslide victory.

Addressing foreign correspondents, Mr Dayan said that the two main conditions enabling him to lead a new party for the Knesset (Parliament) had been met. These were agreement on a political and economic platform, and the fact that 15 prominent Israeli political figures who were asked to run with him had pledged to do so.

Mr Dayan would not be what he described as "bourgeois" in composition. Among his leading members, he stated, would be members of the kibbutz and trade union movements and prominent personalities from Israel's large community of oriental Jews. It is the oriental Jews, he said, who have been the decisive element in gaining Mr Menachem Begin his unexpected victory in 1977.

Although Mr Dayan has refused to reveal the names of his new party colleagues, they are known to include Mr Yigal Hurwitz, the former Minister of Finance, and Mr Yisrael Katz, the Minister of Labour.

For the first time, Mr Dayan admitted today that his private efforts to persuade Mr Ezer Weizman, the popular former Defence Minister, to join the new party had failed.

Recent opinion polls have varied widely in their predictions about Mr Dayan's chances in the election, but one of the most reliable has recently predicted that a Dayan-led Centre Party could win 19 seats in the 120-member Knesset.

At the last election, Mr Dayan stood on the Labour Party list, but later infuriated party stalwarts by pressing over to serve in the right-wing Likud Cabinet. He resigned office in October, 1979, in protest at the Government's policy on Palestinian autonomy.

Today Mr Dayan dropped a strong hint that he would be unlikely to join a future Labour-led coalition, a decision which could give an unexpected boost to Mr Begin's chances of being reelected Prime Minister.

At his hour-long press conference, Mr Dayan emphasised that the central plank in his party's platform would be the unilateral withdrawal of the Israeli military administration from the occupied West Bank and Gaza Strip.

Pope visits worried men at a steelworks

From Peter Nichols
Rome, March 19

The Pope today approached the fiery furnace of social discontent with his visit to the steelworks at Terni where tons of molten metal were being poured before his eyes in an atmosphere of crisis in the steel industry and the worst period of labour relations for many years.

The Pope was pursued by reports that his own workforce at the Vatican was planning a protest march against its employer for the first week in April.

Tomorrow, Rome expects the descent of some 10,000 visiting steelworkers who are taking part in a national strike in the state foundries, while industrialists both in the private and public sectors are concluding a conference marked by a strong attitude against wage demands.

The Pope's hosts will be on strike tomorrow. He chose today for his visit because it is the feast of St Joseph, regarded by the Roman Catholic Church as the protector of workers.

The Terni steelworks were established in 1935 by Mussolini because the town was reasonably near Rome and away from the northern frontiers. The next nearest to Rome is the steelworks in the Bay of Naples. Two days ago the city's unemployed occupied urban premises until the police dispersed them making more than a hundred arrests.

The Pope said on his arrival by helicopter at Terni that he had come "to bring a word of encouragement to all the workers". He would express his solidarity, his friendship and his affection because in earlier years he had personally shared the "hard living conditions" of a worker.

The Pontiff ate at midday in the workers' canteen and he received the 150 members of the Terni council. He told them that he fully understood their worries about the crisis in the steel industry which brought the threat of unemployment.

"I share your worries," the Pope said, "as fathers and as men, and I know that they are justified. He pointed out that Terni's troubles were the result of both the national and the international situation. One of the members of the works council told the Pope that he had grasped the heart of the matter: the steel flags outside the building calling for development of the works instead of a shutdown were not addressed to the Pope, the worker said. "We need the understanding of the whole Christian community."

Another member of the council told the Pope that they would go to Rome tomorrow "to defend the Terni works and to defend Italy". The planned protest in the Vatican is organized by the Association of Day Workers which was established in 1971 and given official recognition last year.

Of the four churches, the Catholic church, the reformed churches, the Jewish religion, and the humanitarian organizations, national and international, I am against the death penalty."

M Peyrefitte said he respected "the conviction of the Socialist candidate in the presidential elections, the more so that he himself had never made any secret of the horror which I feel for this punishment." But what was not respected was M Mitterrand's contention that his attitude was shared by the Catholic Church or the Jewish religion.

In a statement issued later today, the Israeli Embassy in Paris regretted the minister's assertions, saying he "was perhaps ill-informed". The embassy was "anxious to make it clear that the death penalty had never existed in Israel since the creation of the state. It could therefore neither be abolished nor restored."

Of the four leading candidates in the presidential elections, two—M Mitterrand and M Marchais, the Communist leader, have said they are opposed to the death penalty; M Jacques Chirac, the Gaullist candidate, favours a referendum on the issue; and M Giscard d'Estaing, the incumbent, has said that the abolition of the death penalty should not be proposed to Parliament.

Mr Alain Peyrefitte, the Minister of Justice, today accused M Francois Mitterrand, the Socialist candidate for the presidency, of using false arguments to emphasize his "legitimate repugnance" for the death penalty.

M Mitterrand, in his first television appearance of the campaign, earlier this week, said: "Deep down in my conscience, which is in accord with the area of confidence building measures (CBMs) relating to troop movements to cover all the Soviet European territory."

But that hope has now gone sour with the United States and Western delegations complaining of an ominous lack of precision when they press the Russians to say whether the CBMs could be verified.

Mr Yuri Dubynin, speaking of a "generous" Soviet initiative to extend the area from the present 250 kilometres (160 miles) inside Soviet territory to 2,500 kilometres (1,600 miles) demanded similar measures from the West. The West German delegate has protested that the Brezhnev "concession" was now being used in a threat that if there was no agreement on the Soviet demand for a disarmament conference, there would be no progress on the other "baskets", or even another follow-up conference after Madrid.

Mr Max Kampelman, the chief American delegate, told the Russians that "vague and undefined conditions designed to weaken or distort the criteria laid down in the French proposals for a European disarmament conference are unacceptable to the United States."

And so the conference goes on, inconclusively, from session to session.

Rio de Janeiro, March 19.—Ronald Biggs, the fugitive British train robber, was still missing from his home here today, but Brazilian police believe his disappearance is a publicity stunt and not a case of kidnapping.

"We're practically convinced this is another one of Biggs' tricks," a police official said, adding: "We understand Biggs has a book of his memoirs coming out later this month."

Mr Biggs, aged 51, arrived in Brazil in 1970 after escaping from a British prison where he was serving a 30-year sentence for "great train robbery". Brazil rejected extradition requests because he was the father of a Brazilian child.—A.P.

Mr Ange Patasse, the main rival to Mr Dacko in the presidential elections, was elected to office in the Red Cross last November. She has no executive bureau to work with her, however, and Mr Dacko has announced he cannot hand the money over until such time as the bureau is appointed. Normally this would not be until the next regular national assembly.

The statement, which confirms an interview published yesterday by Le Monde, says, however, that Mr Dacko, 51, is aware of the existence of the cheque from the time it was received on February 13. The implication is, therefore, that she was wrong in telling Le Monde Enchaîné that she had no knowledge of the donation.

Mrs Rolland, who is a sup-

Mr Dayan to lead new party in June election

From Christopher Walker
Tel Aviv, March 19

Mr Moshe Dayan, the Israeli war hero and former Foreign Minister, announced today that he was coming out of semi-retirement and returning to active politics in time to lead a new centre party at the general election in June.

The decision comes after weeks of speculation about the possible creation of a new party, which observers expect to have a significant effect on the outcome of the poll—possibly depriving the Opposition Labour Party of an expected landslide victory.

Addressing foreign correspondents, Mr Dayan said that the two main conditions enabling him to lead a new party for the Knesset (Parliament) had been met. These were agreement on a political and economic platform, and the fact that 15 prominent Israeli political figures who were asked to run with him had pledged to do so.

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At his hour-long press conference, Mr Dayan emphasised that the central plank in his party's platform would be the unilateral withdrawal of the Israeli military administration from the occupied West Bank and Gaza Strip.

Setback for Israeli drive to increase settlements

From Our Own Correspondent
Jerusalem, March 19

The right-wing Israeli Government has suffered a serious legal setback to its controversial pre-election drive to increase the number of Jewish settlements in the occupied West Bank before polling day on June 30.

On behalf of 20 Palestinian landowners living near the West Bank town of Anabta, the Israeli High Court has issued a temporary injunction preventing any further excavation or demolition work on about 750 acres of land earmarked for a new settlement called Shavei Shimon B. The proposed settlement was one of seven started on the same day last week.

During the hearing Mrs Felicia Langer, the left-wing Jewish lawyer, submitted that the land taken for the new settlement (whose Hebrew name means "Those returning to Samaria") had belonged to local Arabs for generations and was being taken up by troops. The militant Palestinian mayor of the neighbouring town of Nablus, Mr Bassam Shaka, has been warned officially by the Israeli authorities to stop leading his supporters to the landowners' campaign.

It is understood that the temporary injunction freezes the situation, forbidding the Army to do any more clearing work on the isolated Samaritan hillside or to remove anything from the land until the lease is considered by a panel of three Israeli judges. No date has been set for the full hearing.

The Israeli action has already resulted in violent clashes between local Arabs and Jewish construction workers, and two protest marches to the site have been broken up by troops. The militant Palestinian mayor of the neighbouring town of Nablus, Mr Bassam Shaka, has been warned officially by the Israeli authorities to stop leading his supporters to the landowners' campaign.

Kabul hijackers it aided hijackers

From Our Own Correspondent
Moscow, March 19

The Afghan regime today denied allegations that it had aided three men who hijacked a Pakistani airliner this morning. The Afghan authorities categorically rejected allegations that the hijackers had been given arms in Kabul. Tass said: "Reporters were told in Washington on Tuesday, that according to eyewitnesses, the hijackers flew into Kabul with pistols but left armed with automatic weapons.—A.P.

President Dacko says he received Giscard cheque

From Our Own Correspondent
Paris, March 19

President David Dacko of the Central African Republic has officially confirmed that he received a cheque from President Giscard d'Estaing for his country's Red Cross which he has yet to hand over to the organization.

The statement, which confirms an interview published yesterday by Le Monde, says, however, that Mr Dacko, 51, is aware of the existence of the cheque from the time it was received on February 13. The implication is, therefore, that she was wrong in telling Le Monde Enchaîné that she had no knowledge of the donation.

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porter of Mr Ange Patasse, the main rival to Mr Dacko in the presidential elections, was elected to office in the Red Cross last November. She has no executive bureau to work with her, however, and Mr Dacko has announced he cannot hand the money over until such time as the bureau is appointed. Normally this would not be until the next regular national assembly.

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Latest EEC proposal rejected by London

From Our Own Correspondent
Brussels, March 19

A new proposal was made here today by the European Commission aimed at enabling Britain to lift its veto on an EEC-Canada fisheries agreement which is of vital interest to West German fishermen. But it was immediately dismissed by British sources as unacceptable.

Unless the new offer can be greatly improved at a meeting of EEC ambassadors here tomorrow, it appears certain that the Anglo-German dispute will spill over into the EEC summit meeting at Maastricht next week, which promises to be a somewhat rancorous affair.

The Canadian deal would allow West Germany's deep-sea trawlers into Canadian cod-fishing grounds off Labrador and Newfoundland. In return the EEC would cut tariffs on 24,000 tonnes of frozen fish imports from Canada, much of which, the British claim, would be sold on the already depressed British market.

To meet the British complaints, the Commission has proposed the adoption now of a number of market protection measures which would normally have had to await agreement with a new common fisheries policy, such an agreement is still in the air.

The proposed measures include a 10 per cent increase in the minimum "support" prices for cod, haddock and hake, the subsidised export of Poland of 3,000 tonnes of white fish, and a 10 per cent increase in the limit of 1,500 tonnes on the amount of Canadian fish entering Britain.

At a meeting of EEC foreign ministers earlier this week, however, Britain demanded a 25 per cent increase in the fish support price. This was rejected by West Germany as too high a price to pay.

Officer shot outside church

From Harry Debelius
Madrid, March 19

A Spanish Army officer, shot and seriously wounded in an attack yesterday by Basque politicians, was delivered to a hospital in a serious condition. The officer, father of the children, was still alive but after the attack, but doctors said his condition was extremely serious. He was taken to headquarters of the military governor of the northern province of Vizcaya as recruit officer.

There were many witnesses to the shooting.

Trudeau refuses to halt debate on constitution

From John Best
Ottawa, March 19

Mr Pierre Trudeau, Canadian Prime Minister, rejected an Opposition suggestion to suspend the constitutional debate in Parliament make way for new economic measures.

He was replying in Ottawa yesterday to Mr J.C. Crobie, Conservative financial spokesman and former Finance Minister, who asked him to "suspend" the debate on "constitution" and bring in a policy to deal with inflation and unemployment.

Belize agreement already showing signs of strain

By Our Diplomatic Staff

The delicate threads with which Britain managed to weave an outline agreement with Guatemala over Belize are already showing signs of strain. Honduras, whose sea limits run near a little group of coral islets which are the key to a final settlement between Belize and Guatemala, has just condemned the outline agreement. In Belize, several dozen young people have been arrested for looting a protest at the agreement.

The Foreign Office, however, says it has no plans to involve Honduras in the Belize negotiations, and it dismisses the Belizean youth protests as a one-day wonder.

"Whatever the result of conversations between England and Guatemala on the Belizean problem may be, Honduras reserves its rights over the Sapo-dilla Cays," said Cesar Elvira Sierra, the Honduran Foreign Minister, said.

The Sapo-dilla Cays and the Ranguana Cays comprise a scattering of tiny islets and reefs east of Belize. Under the proposed agreement, Belize would give Guatemala use of these cays as well as a narrow channel for access to them and beyond.

Honduras, however, is claiming the Sapo-dilla Cays, which are mentioned in its constitution as part of the national territory. At present the cays are used only by the occasional fisherman driving his nets.

Guatemala, however, has been keen to develop the cays, and raises the prospect of joint Belize-Guatemala oil and mineral exploration in the seabed near by. In exchange Guatemala would end its claim to Belize.

Honduras leaders are saying the plan is "injurious to national sovereignty" and "excusable" because of the rights as a coastal state to be involved in drawing maritime demarcation lines.

In Belize, where the 0 concessions to Guatemala on the Sapo-dilla Cays have been criticized by opposition groups as a sell-out of Belizean territory, police have used tear gas to break up a night of young protesters' light fires, smashing windows and looting stores, and a newspaper office in the capital.

The Foreign Office has been cautiously congratulating its on apparently succeeding in the difficult Belize negotiations, and congratulating Guatemala on its "fighting good fight" but making important concessions in the end."

However, Mr George Price, the Belize Premier, is not so sure. "There are hard difficult issues still remain to be negotiated," he said. Leading article, page 1

Herr Genscher begins talks in Warsaw on aid and detente

Warsaw, March 19.—Herr Hans-Dietrich Genscher, the West German Foreign Minister, today began talks with Polish officials on financial aid and detente, meeting Mr Jozef Cyrtek, his Polish counterpart.

Herr Genscher arrived here on a two-day visit bearing the promise of West German credit of DM150m (£32.5m).

A senior Polish official told reporters that the reestablishment of detente and bettering of East-West relations would be an important issue in the discussions. He added that Mr Cyrtek and Herr Genscher would brief each other on the world view as seen in "other capitals"—clearly referring to Moscow and Washington.

He also indicated that, despite western concern over the joint exercises taking place in Poland, East Germany, the Soviet Union and Czechoslovakia, the Poles did not believe in the likelihood of Soviet intervention in Poland.

Mr Stanislaw Kanla, the Polish party leader, who arrived in Budapest today at the invitation of Mr Janos Kadar, the Hungarian leader, was expected to return to Warsaw in time to meet Herr Genscher.

Herr Genscher's talks are expected to focus on the old German-Polish boundaries. Poland has been sharply critical of the continued appearance of Germany's pre-1939 border, encompassing part of present Poland, in some official West German documents and in some school history textbooks.

West Germany recently decided to allow the Third Reich's boundaries to appear in the texts. This was criticized by the Polish Army newspaper *Zolnierz Wolnosci*, which accused "revisionist" circles of wanting to jeopardize the 1970 Polish-West German treaty.

Workers declared a strike

today in Poland's north-eastern province, Suwalki, close to the Soviet border.

The Polish radio said that

leaders of the Solidarity free trade union organization in Suwalki had threatened a two-hour warning strike next Thursday and further strikes on April 1, if the Government failed to send a delegation to discuss their grievances.

Their demands included the restoration of a provincial party office for the health service, action against local officials who had lost public confidence, and an investigation into poor management and alleged violations of law and order.

Mr Jaroslaw Kozakiewicz, a Solidarity leader in Suwalki, said that he would call on other regional leaders for support if the authorities in Warsaw did not respond to the Union's demands. There are some 250 factories in the province.

Leaders of 200 militant farmers who have been occupying a building in the northern city of Bydgoszcz called on the authorities today to draft a law by April 10 enabling the registration of Rural Solidarity.

Workers in the farming town of Inowroclaw declared a strike alert today in support of the Bydgoszcz protesters.

Leaders of Poland's 100,000 timber workers assembled in at least three centres, Wroclaw, Opole and Gorlice, in preparation for a strike campaign next week.

Lumber men in Szczecin were expected to join, and union officials said that at least 12 provinces were gearing up for strikes.

The officials said they planned a short warning strike on Monday, followed by a national closure of mills on Wednesday unless the Timber and Forestry Ministry honoured an agreement signed in December on wages and conditions.

A director of the state timber mill held preliminary talks with workers in Wroclaw, but there was no indication that the Government was ready for full-scale talks, the officials said.

UPL, AP, Agence France-Presse and Reuter.

Solidarity has observers at union talks in Delhi

from Our Correspondent

Delhi, March 19.—A three-member delegation of

the Polish Solidarity independent trade union has arrived in

Delhi to take part as observers

in a discussion of the Inter-

national Confederation of Free

Trade Unions on the role of

ade unions in development.

Mr Andrzej Gwiazda, the

leader of the delegation,

is attending a press conference

questioning whether and when

the Poles were expecting the

visit of the Union to intervene,

said: "We are members of the

Union. The Russians are all

er. So there is no question of

intervention; they are already

asked if the Poles believed

in Marxism, Mr Gwiazda said that they believed only in the Polish identity, not Marxism. Just as Yugoslavia had found a separate identity, "we want an identity of our own."

He added that for 30 years there was no dissent in Poland. There was only one type of system prevailing; now dissent was visible. Even Solidarity had dissent in its own ranks.

Asked about press censorship, Mr Gwiazda said that censors are afraid to come to us because they know we shall beat them. He admitted that the situation in Poland was "grim" but added that with "hard work and sacrifice" the country could meet it.

S Africans step up fight against Swapo

From Eric Marsden, Windhoek, March 19

South African forces deployed along the Angolan border have intensified their attacks on guerrillas of the South-West Africa Peoples Organisation (Swapo) and are making renewed efforts to prevent villagers in Ovamboland from siding with the insurgents.

It was disclosed here today that in the last seven days 33 guerrillas had been killed by security forces, bringing the total of Swapo deaths so far this year to 318. Major-General Charles Lloyd, commander of the South-West Africa Territory Forces, repeated his warning to Angola not to aid Swapo or allow it to operate from its soil. His troops had to protect the people of Namibia and had "no option but to act against Swapo terrorists harboured on Angolan soil."

General Lloyd's warning followed yesterday's terse communiqué disclosing that South African aircraft had bombed a large Swapo training camp near Lubango, nearly 150 miles from the Namibia border, on Tuesday. The attack apparently came as a surprise and little resistance was encountered from Swapo anti-aircraft guns.

The air raid has brought South Africa its first rebuke from the United States Administration, which expressed "most concern" at the increase in violence on both sides in Namibia. The statement emphasized also that America did not believe there could be a military solution to the dispute.

It is noted that the statement is not the kind of condemnation that was made frequently by the Carter Administration, but it will be an embarrassment for Mr Dirk Mudge, chairman of the Namibian Council of Ministers, who is in Washington with several of his colleagues seeking to capitalise on the "anti-terrorist" policy of President Reagan. The Namibian internal leaders had been asked by American officials to delay their visit but decided they could not do so.

At a press conference in Windhoek today Brigadier Jan Klopper, Chief of Staff (operations) in Namibia, said that 17 of the guerrillas killed in the past week died in two clashes with the security forces. The others fell in minor skirmishes. In the biggest clash, south of Ombalantu in north-western Ovamboland, a South African patrol was ambushed by Swapo but returned fire and put the gang to flight. The brigadier said 11 guerrillas were killed.

Five Ovamboland women and two children had been killed in a landmine explosion near Mbalantu. Two other civilians had been murdered by Swapo, including a woman who was shot dead after being abducted from her home.

Though there is no indication of any involvement by Angolan forces in the latest incidents, General Lloyd's warning is aimed at deterring Angola from continuing its logistical and communications aid to the badly battered Swapo forces.



Women guerrillas: Six female rebel troops posing with their weapons in eastern Chad last week. The Sudanese agency reported yesterday. Five Libyans were also wounded and four Libyans vehicles lost, the agency added in a dispatch from the Sudanese city of Geneina which is near the border between Chad and Sudan.

The Libyans attacked the rebel Chad forces in the Bare district. The agency said that the sound of gunfire could be heard 20 miles away. Libyan troops helped the forces loyal to President Koukou Oueddei drive the Habré guerrillas from Ndjamena, the Chad capital, last December.

Kenyan is accused of treason

From Charles Harrison, Nairobi, March 19

Two Kenyans, Mr Andrew Muhemba, a hardware merchant, and Mr Dickson Muiuri, who is unemployed, appeared in a Nairobi court today charged with treason and misprision of treason respectively.

Mr Muhemba is accused of plotting to overthrow President Daniel Arap Moi, and Mr Muiuri is accused of knowing of the plot and failing to take action to avert it. They were not required to plead to the charges, and were remanded in custody for a preliminary hearing next week, when a magistrate will decide whether there is a prima facie case for trial in the High Court.

The men, both members of the Kikuyu tribe but on conviction face a sentence of death by hanging.

Earlier this month, they both pleaded not guilty to charges of attempting to obtain arms from a Kenya army captain and a corporal.

They were alleged to have tried to steal hand grenades, bombs, mortars, machine-guns, rifles, plastic explosives and other items from the Kenya Army.

On that occasion, the court was told, the investigations were still proceeding and that further charges might be preferred.

Mr Sharad Rao, the deputy public prosecutor, gave no further details of the charges today. He said the state had completed its investigations. The court was crowded.

This is the first allegation of a plot to oust President Moi since he took office in 1978 on the death of President Jomo Kenyatta. There were allegations of a plot to kill some leading Kenyans including Mr Moi when he was Vice-President, in order to prevent him from succeeding on the death of President Kenyatta.

Nobody has been charged in connection with the Kenyatta succession allegations.

Guerrillas killed in Philippines

Manila, March 19. Twenty-five Marcos loyalist guerrillas were killed in a clash with Government troops last Monday in Patag, Southern Philippines, where 119 soldiers were massacred on February 12, it was announced today.

General Fortunato Abat said troops encountered a band of 70 rebels in a hilly part of Patag Island, 570 miles south of Manila, in the course of a big search and destroy operation. No Government casualties were reported. Agence France-Presse.

Lack of money and transport to prevent starvation Shortage and surplus in Africa

From John Earle, Rome, March 19

Africa is in a paradoxical situation. The United Nations Food and Agriculture Organization lists 28 countries in the east, west and centre of the continent as afflicted by grave food shortages, resulting from drought and an increasing number of refugees from civil strife. Yet, to the south, South Africa and Zimbabwe report record surpluses of maize.

South Africa forecasts a maize harvest of 13.4 million tons, which would leave more than seven million tons available for export, as about six million tons is consumed at home. FAO estimates that the cereal (not only maize) needs for 1980-81 of the 28 countries of Africa, which range from Angola and Mozambique up to Senegal in the west and Somalia in the east, amount to 6.5 million tons.

South Africa is not a member of the United Nations family of organizations, and so officially FAO does not monitor its agricultural situation and makes no effort to help in

channeling its surpluses to those in need. In practice, FAO officials say, they know that substantial quantities of surplus food find their way to other parts of the African continent, often in normal commercial transactions.

The problem, they maintain, is not so much one of availability—there is enough grain in the world today, even if stocks are running dangerously low—but of money and, to a certain extent, primitive transport and distribution systems.

FAO is therefore encouraging what one official called a "triangular fair godmother system", under which a developed country provides the cash to buy grain available in a second or third country to relieve hunger in a third.

It sponsored a meeting recently of 38 potential donor countries and international organizations, at which 12 announced new or increased contributions for Africa. These included the United States, Canada, the Netherlands, Sweden, Japan and, subsequently, Italy—but not Britain.

The crisis is also being tackled with emergency action from the United Nations world food programme and, for the longer term, with technical assistance projects by FAO.

The effects of drought, lasting for two years in some countries, have been compounded by the massive spread of civil strife in Africa since decolonization. The fear at FAO is that these problems may become chronic, for there is a limit to the good-will of fair godmothers, and Africa cannot look to a future based on emergency after emergency.

The most seriously affected countries on the FAO list are the Central African Republic, Chad, Ethiopia, Mali, Somalia, Tanzania and Uganda. The others are Angola, Cameroon, Cape Verde, Djibouti, Equatorial Guinea, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mauritania, Mozambique, Senegal, Sudan, Togo, Upper Volta, Zambia and Zimbabwe.

In view of the reported bumper crop, FAO officials say Zimbabwe is likely to be removed from the list.

Mr Mugabe warns West against neutrality

From Stephen Taylor, Salisbury, March 19

Western powers could not afford to be neutral towards South Africa while it was carrying out acts of aggression against neighbouring states, Mr Robert Mugabe, the Zimbabwe Prime Minister, said today.

Addressing a press conference at the end of a visit by President Siaka Stevens of Sierra Leone, the chairman of the Organisation of African Unity, Mr Mugabe said that the time had come for Western powers openly to condemn South Africa.

He referred to the most recent raid by South African forces into Mozambique on Tuesday, and asserted that the country had embarked on a programme of concerted aggression, "because it feels that the Western powers will support it."

He asked: "Are they (the West) our friends or our enemies—in the circumstances that we are trying to consolidate our independence?" Mr Mugabe said that some of South Africa's weapons, including French Mirage jet aircraft, were supplied by NATO countries.

In a joint communiqué the two leaders condemned South Africa's "intransigence" in Namibia ("South-West Africa") and the "Pretoria regime's naked aggression against front-line states."

Mr Stevens arrived here on

Tuesday on the last stage of a tour of 10 African countries during which he has held consultations on Namibia, the proposed Libya-Chad merger and the new United States Administration.

While he was critical of recent Western responses to the region, Mr Mugabe took a cautious line on the postures of President Reagan's administration on southern Africa generally and Angola in particular.

He said: "We do not want to judge him too hastily; he is still working out a policy for southern Africa."

President Stevens said: "Any administration, be it ever so powerful, should not forget that if a man, or nation, is drowning he will grab at anything that comes up." Superpowers should bear that in mind.

On Angola, Mr Mugabe said that its Government was legitimate with sovereign power and the right to territorial integrity. Dr Jonas Savimbi and his Unité guerrilla movement were "a group of reactionaries trying to subvert legitimate authority."

Over criticism of Zimbabwe's transition from white-ruled Rhodesia to majority rule could not be declared a complete success for British or Western diplomacy, Dr David Owen, the former Foreign Secretary, said. He told a lunch meeting of the Foreign Press Association in London that Zimbabwe's economy was in a critical state.

11 accused of plotting a coup in Sudan

Khartoum, March 19.—Sudan

said today that 11 people had been arrested for plotting an Army coup against the proposed Libya-Chad merger and the Western government of President Jaafar Nimeiri.

Vice-President Abdel Magid Hamid Khalil told the Army newspaper *Armed Forces* that the plotters were led by a retired brigadier, Saad Bahar, and included three majors and three non commissioned officers.

President Nimeiri has survived these serious coup attempts and numerous plots during his 12-year rule. He referred briefly to a recent coup in a press interview this week and said it was possibly inspired by Syria.—Reuter.

Jetfoil runs aground

Hongkong, March 19.—A jetfoil crossing from Hongkong to Macao ran aground in a thunderstorm injuring 85 of its 170 passengers, police said.

Some 300 students from the

Seoul National University

demonstrated on campus today,

denouncing the Government as

"fascist", shouting slogans and

handing out leaflets.

The demonstration was the

first since President Chun Doo

Ewan was elected by indirect

vote last month and comes less

than a week before a general

election.

Eyewitnesses said that there

were about 3,000 students on

the campus when the demon-

stration began but the police

said that only about 300 were

directly involved. The demon-

stration lasted for about an

hour before riot police broke it

up, drenching 70 students.

Leaflets distributed by the

students called for the over-

throw of the "fascist dictatorship"

Government, freedom of

the press and academic

freedom.

The police said the demon-

stration was instigated by a

few leftist students who were

wanted by the authorities in

connection with anti-government

demonstration last November.

The terms used in the

leaflets and slogans were said

to be "typically communist".

Today's demonstration was

described by the police as

anachronistic but, as South

Korean student disturbances

usually start in the spring at

the beginning of the academic

year, many people may be won-

dering if this foreshadows a

new outbreak of student unrest.

From Jacqueline Reditt, Seoul, March 19

South Korean university

students rekindled memories of

last year's violent campus dis-

turbances when they held an

anti-government demonstration

in Seoul today.

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new outbreak of student unrest.

From Andrew McLeod, Buenos Aires, March 19

Buenos Aires, March 19. The

Argentine Nobel Peace Prize

winner, has complained of a

"strong escalation of repression"

in Argentina, pointing to a

recent wave of arrests and

kidnappings as a sign that a

gradual move towards liberal-

ization may be coming to a halt.

Señor Pérez Esquivel referred

in a statement on Monday to

the arrest and questioning of

67 of the "mothers of Plaza de

Mayo"—the relatives of people

who have disappeared without

trace—and a Franciscan, and

the alleged kidnapping and tor-

ture of two men by plain-

'Recklessness' in the criminal law

هكذا من الأصل

سكزا من الأصل

Table tennis



Mrs Hammersley: a breakthrough for women's lob.

England's first lady smashes her way into man's world

By Richard Streeton

Loose wording when the rules for the English National Table Tennis League were compiled two years ago is likely to help Mrs Hammersley, a former European champion, to become the first woman to play in the competition. It is part of concerted efforts to find Mrs Hammersley sufficient income from the sport to stop her accepting a lucrative offer from Lidl in West Germany.

Sealink Milton Keynes are willing to sign Mrs Hammersley as their No 1 singles player. The English association's management committee, when asked for clarification, have agreed that the national league rules do not state that the supposedly men's event is for men only. It is agreed in principle to Mrs Hammersley joining Sealink. Other clubs are wondering if there are any other women strong enough to play at level terms regularly against men.

It might be undesirable to women's liberationists, but standards are so much higher in the men's game that the answer is probably no. Mrs Hammersley is far ahead of her contemporaries in England, but even playing at No 4 she will find regular league success easy. What the English association is looking for is a player willing to stipulate that even if

Rugby League

Another feather in the cap for Holdsworth

By Keith Macklin

After a remarkable rise to prominence this season, the youngest referee in the Rugby League will take charge of the first of his contemporaries in the Challenge Cup. Sponsored by Three Fives, the match is between Warrington and Widnes at Wigan on Saturday. The referee is John Holdsworth, aged 34, of Kippax, near Leeds.

Mr Holdsworth has been on the senior referees panel for just a year, and only became a grade one referee in November. In the five months since then he has been promoted to a grade two referee, international and on Wednesday this week referee of the Wales v England European championship.

Since the appointment to a Challenge Cup semi-final round match is regarded as the final stepping stone to a career in refereeing, Mr Holdsworth can be forgiven if he has dreams of walking out on before 85,000 people with the oldest two years' foot in the final round tie, between Hull Kingston Rovers and St Helens, which will be played at Leeds on April 4, with a referee, Campbell, of Widnes, officiating.

Wigan directors are studying the report of the referee Vincent Moran, of Manchester, on last Sunday's violent game at Huddersfield, in which six men, three from each side, were sent off. It is expected that the directors will have talks with the player-coach, George Fairbairn, before deciding whether club action is warranted against the three Wigan players sent off, Hodgkinson, Bolton and Kins.

Maurice Lindsay, the Wigan vice-chairman, said: "We are studying the referee's report time by time and taking this matter very seriously indeed. We have not been able to talk to George Fairbairn yet because he has been with the England team on Humber-side."

Latest European snow reports

Depth (cm)	Conditions	Weather (5 pm)	
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine

In the above reports, supplied by representatives of the Ski Club of Great Britain, L refers to lower slopes and U to upper slopes. The following reports have been received from other sources.

Depth (cm)	Conditions	Weather (5 pm)	
10-20	Good	Varied	Fine
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10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine
10-20	Good	Varied	Fine

Great day as Cumbria lives it up in the Ritz

By Michael Seely

The North of England took over the role of the Irish at Cheltenham this year. Normally hordes of punters from across the water are shouting their heres home. This March it was the turn of the men from the North.

Besides their fantastic feat of providing the first three in the Ritz Cup, the Cumbria team won the Ritz Cup National Hunt Handicap Chase with Current Gold and the final race of the meeting, the Cathcart Challenge Cup, with Lord Greyhound. The Ritz Cup, the Cumbria team's first victory, was a triumph for the Cumbria team, who had won the Ritz Cup in 1979 and 1980.

In direct contrast to the result of the Gold Cup, that of the Daily Express Triumph Hurdle went entirely contrary to public expectations. Racing to the last furlong, Broadward, the 7/1 favourite, had stormed to the front, but was overtaken by the 11/1 favourite, Baron Blakey, who had been in only fourth place when the hurdles started to gain ground.

Finishing like a rocket, the West Country-trained gelding Broadward, who had been in the lead since the start, was overtaken by the 11/1 favourite, Baron Blakey, who had been in only fourth place when the hurdles started to gain ground.

One of the surprising features of Baron Blakey's victory was that the gelding, who had been in only fourth place when the hurdles started to gain ground, was overtaken by the 11/1 favourite, Baron Blakey, who had been in only fourth place when the hurdles started to gain ground.

One of the surprising features of Baron Blakey's victory was that the gelding, who had been in only fourth place when the hurdles started to gain ground, was overtaken by the 11/1 favourite, Baron Blakey, who had been in only fourth place when the hurdles started to gain ground.

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SPORT

Racing

Little Owl's flight to Gold Cup glory

By Michael Phillips

Racing Correspondent

Jim Wilson became only the third amateur rider to ever win the Cheltenham Gold Cup yesterday when he partnered Little Owl, a seven-year-old that he owns together with his younger brother, Robin, to record one of the most memorable results for a long time. Certainly one of the most enjoyable that I can recall.

Mr Wilson's horse was equalled in the heat of the moment only by that of his training partner, Easterly, who became the fifth in 10 years to train the winner of the Champion Hurdle and the Gold Cup in the same year.

Easterly is a quieter man from the heart of Yorkshire who took to let his horses do most of the talking. How eloquently they spoke for him this week. And not, I hasten to add, for the first time. His skill is now something of a legend.

In addition to Little Owl, Easterly also saddled up to win the Night Nurse. What a wonderful race he ran. Had he won he would have become the first horse to ever win the Gold Cup as well as the Champion Hurdle and how many would have relished being beaten to that achievement.

Sadly it was not to be. Little Owl was an occasion to savour. All in all those who packed the enclosures, and the stands, to witness a more emotional scene. As he rode Little Owl in triumph Mr Wilson raised a snarl towards.

To those in the know it was the most moving feature of all because of his late son Mrs Bobby Gundry from whom he and his brother inherited Little Owl a little under a year ago.

"She would have been watching from that marvellous vantage point," Mr Wilson remarked later with a tear in his eyes. Twelve months ago she had watched Little Owl—her pride and joy—fall in the Sun Alliance Steeplechase on the second day of the meeting.

She died not many months later of the course and it was not only the only time that Little Owl had ever fallen but also the only time that he had been beaten over fences. Fate can be cruel. Yesterday her horse and her nephew did her and her memory proud. Little Owl became her property originally, but she was still only a raw unbroken three-year-old after her trainer had paid 2,300 guineas for him in the sale ring at Doncaster.

"And I promise you I would not have made another bid for him if I had not got him at that price because he related to a whole lot of rubbish," Easterly remarked yesterday as we recalled those far off days. Little did he realise that reference to rubbish was the unkindest quip of all to



Little Owl flies over the last fence to win the Gold Cup from Night Nurse.

my heart because among the load in question was his full brother, a horse named Mr Hegarty in whom I once had a share along with nine others. Sadly from our point of view Mr Hegarty was never much of a horse, whereas his brother has now become one of the immortals in National Hunt racing.

Easterly must have been in a quandary yesterday with his feet in two camps. "I did not know which one to shout for," he remarked later as he gave us a rare glimpse of his innermost feelings. A non-talker he may be, but he is still not devoid of a sense of humour and as he left the course he bade farewell with these remarks to us southerners: "At least I will be going up the A1 with the brass tonight and we are a bit short of it up there."

For Mr Wilson the journey home was somewhat less arduous but no less satisfactory. He lives at Charlton Kings which is only two miles from the racecourse where he owns and runs an equine swimming pool. Twelve months ago he was the recipient of the Ritz trophy which goes these days to the leading rider at this particular meeting. If he did not exactly manage to measure up to that standard this year and in this instance beat John Francome, who is after all a champion in his own right, he still ended the meeting with two winners in the bag and they happen to be his old favourites Willie Wumkins and Little Owl, his cup can only have been brimming over. And so to the race.

Tied Cottage set off in the lead as usual but he got no farther than the sixth fence. Thereafter Night Nurse was in the van and did closely for another circuit by Diamond Edge, Little Owl, Silver

Buck and Sparrow Missile. Racing down the hill for the last time it was already clear that the race had developed in to a three-horse affair between Little Owl, Night Nurse, and Silver Buck, another challenger from Yorkshire who was sandwiched between them.

As they shaped up to the last fence but one the thought occurred to me that Silver Buck had the prize within his grasp but as soon as they landed over that particular fence all those thoughts evaporated. Suddenly Little Owl, who had been in the lead since the start, was overtaken by the 11/1 favourite, Baron Blakey, who had been in only fourth place when the hurdles started to gain ground.

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Cheltenham results

2.15 TRIUMPH HURDLE (4-y-o; £1,100)

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Golf

Overnight leaders hold on for victory

By John Hennessy

Golf Correspondent

Belle Robertson and Winnie Woodbridge just held on to their lead on the last day of the Avon Witches women's foursomes tournament at the Berkshire Golf Club yesterday. Leading by five strokes overnight, they had to settle for a final margin of only one over Jane Chapman and Christine Mackintosh. The scores over four rounds were, respectively, 309 and 310. Angela Uehli and Wilma Atken were third on 312.

The last hole (161 yards), for the winners at least, was charged with misplaced drama. They needed only

THE ARTS

Persuasively truthful film of life in the old West

Heartland (A)
Paris Pullman

A Jury of Her Peers (A)
Paris Pullman

A Respectable Life (X)
Moulin

The Blood of Hussain (AA)
Gate Two

Inside Moves (AA)
Odeon, St Martin's Lane

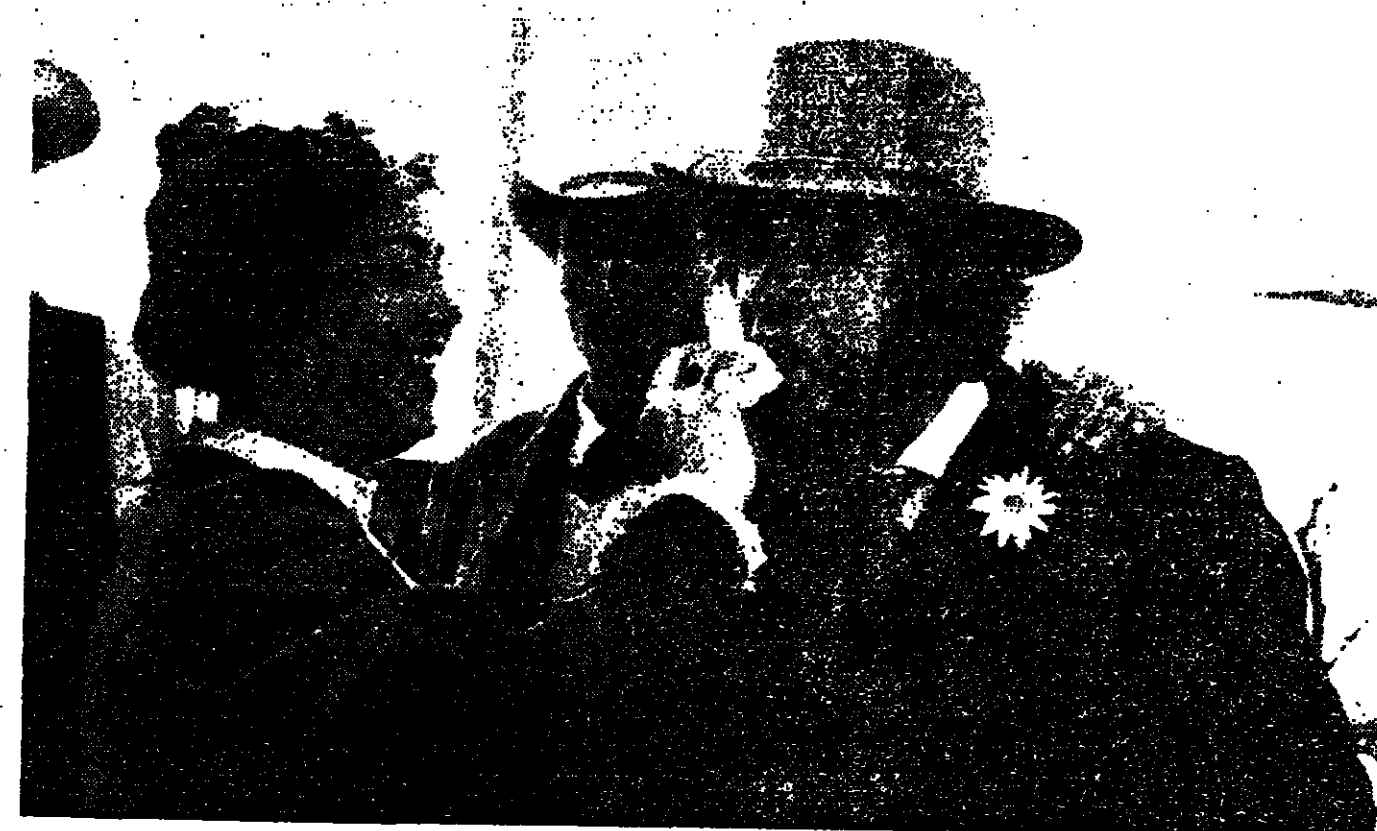
Phobia (X)
Rank release

It is a more encouraging week than usual in the cinema, with four new films to prove that there is infinitely more pleasure and vitality in films that are made with talent and a passion to communicate something than in the run-of-the-mill, off-the-shelf commercial picture, entered into with all the spirit of setting up a finance corporation.

Heartland is an American film, financed with the equivalent of some £250,000 by the National Endowment for the Humanities, and directed by a former documentary filmmaker, Richard Pearce. It is the story of a Denver widow who travels with her small daughter into rural Wyoming at the turn of the century to be housekeeper to a dour and careful Scottish rancher. She plans to farm on her own, but instead marries the rancher. A richer sort of affection grows only slowly in this unfavourable climate, as the two share privation and bereavement as well as the meagre compensations of the land.

The story is factual, based on the real-life reminiscences and letters of Elinor Pruitt Stewart. In their record of a year from summer to summer Richard Pearce and his writer John Ferris give a persuasively truthful picture of life in the old West, a rough, undramatic tale with the land and the elements.

The people seem as real as



Conchita Ferrell and Rip Torn in *Heartland*

the place—though Rip Torn, as Mr Stewart, has something of a battle with both his beard and his Scottish accent. A new actress, Conchita Ferrell, enforces belief in Elinor as the combination of grit and humour that alone could have coped with the demands of new lands. A distinguished old Viennese actress, Lilla Skala, and a perky little child actress, Megan Folsom, are equally real as, respectively, her immigrant veteran neighbour and her daughter.

Good as it is, *Heartland* is almost eclipsed by the short film showing with it, Sally Heckel's *A Jury of Her Peers*, which I praised from the London Film Festival in November as a paragon of the filmed short story. It has subsequently been nominated for a Hollywood Academy Award.

Here, too, the setting is a turn-of-the-century rural community. A farmer's wife has killed her husband as he slept in their bed; and the local community leaders come to look for some motive for this inexplicable deed. Their wives, whose words, impressive faces reveal that they have shared the same kind of unsparring, submissive existence as the

guilty woman, prove to read the signs better than their menfolk.

The unknown players (chosen apparently from local theatre groups) are faultlessly cast. Rapidly sketched characters and gestures illuminate a whole way of life, and depths of unconscious oppression, patiently borne. If she can progress from this brilliant and compelling little masterpiece—far more satisfying than most current feature pictures—Sally Heckel promises to be a great film artist.

Twelve years ago Stefan Jarl, in collaboration with a fellow-graduate from the Swedish film school, Jan Lindqvist, made a documentary about teenagers knocking around the streets of Stockholm. They call *Us Misfits*. A decade later Jarl went back to see what had become of some of the lively, aimless but not unlikable youngsters who had then been on the perilous verge of delinquency. He found the survivors: almost to a man, defeated, sick, middle-aged before their time, hooked on drugs or drink, without a trace remaining of the old vitality and defiance of their teens.

Of the two characters who in 1969 had most caught the film-makers' interest one, Kenta, showed a degree of resilience, some survival of a rural sturdiness which moved him to muddled efforts at family connections. The other, Stoffe, died of an overdose during the filming. Jarl unsparingly filmed the facts. Stoffe was in no way exceptional. During the time of filming, 11 young men died in the same lavatory on the railway station which is the centre of the world of Stockholm's lost.

Jarl's document is appropriately rough, and meagre in hope. The image he finds apt to preface this picture of the underside of contemporary Sweden is Breughel's *Great Plague*.

Maybe it has something to do with the curious communal nature of their creation that films have a way, from time to time, of exactly anticipating historical actuality. Jarl's *The Blood of Hussain* was conceived as an abstract essay on tyranny, predicated a purely fictional story of a military dictatorship and the eventual movement of revolution against it. A month after shooting was completed, the

military coup in Pakistan seemed so exactly to reproduce Dehlavi's story that he and his film fell under grave suspicion; and it was only two or three years later, thanks to the removal of the material from Pakistan to London, that the film was completed. (It was first shown in the Cannes Directors' Fortnight in May and has since had a distinguished festival record.)

Finely shot by the British cinematographer, Walter Lassally, the singular texture of the film comes from Dehlavi's method of interweaving the main story with legendary elements from the life and martyrdom of Imam Hussain, grandson of Mohammed, who was killed by the usurper Caliph Yazid 1300 years ago.

The contemporary story concerns two brothers both played by an outstanding actor, Salmaan Peerzada. Selim is an opportunist, ready to support the military government and to use the sexual appeal of his English wife to further his political ends. Hussain, touched as a child by something mythical, resists, in defiance of the tyrannical peasantry.

The mythical elements are represented through documen-

tary footage of Shi'ite Muslim ceremonies, and a mesmeric, recurrent image of a white stallion rearing up out of the desert itself. Dehlavi (who also acts in the film) has a remarkable eye for the telling image. All the possibilities of violent oppression are summed up in one terrible moment when a newborn child is exploded into bloody matters by a single rifle shot.

After such showier exercises as *The Omen* and *Superman*, Richard Donner, in *Inside Moves*, cries his muscle on a small, intimate human subject, which turns out to be a good deal more demanding.

The theme is altogether credible—the possibilities for the handicapped of leading normal and rewarding lives—but the script by Valerie Curtin and Barry Levinson is inadequate to it. The publicity for the film gives a very fair indication of the naive and transparent optimism of the film's approach: "the heartwarming story of a group of people brought together by hardship, humour, love and a dream of winning... (a) happy, nutty, wonderful group".

The central figure (John Savage) is a young man whose attempted suicide by defenseless leaves him physically crippled but emotionally matured that he becomes the focus of the group of handicapped people who gather around Max's bar. He is able, even, to get the money for his best friend to have the operation to cure the bad leg which is the only barrier to a dream of becoming a baseball pro...

As director, Richard Donner has not skill or subtlety enough in dealing with the characters to cover up such artless contrivance. A historical curiosity in the film is the appearance of Harold Russell, a veteran who lost both hands in the Second World War, in his first film since his double-Oscar-winning performance in *The Best Years of Our Lives* in 1946.

There is nothing at all in *Phobia* to indicate that it is the work of John Huston, at his best one of the great Hollywood directors. This is a tired and predictable scenario, duplicitous and dully filmed, no better or worse than any others of the run of commercial mystery and horror films currently being exported from Canada, where this one was made.

David Robinson

In Search of... Athelstan BBC 2

Miles Kington

Hands up all those who had heard of Athelstan. Hands up all those who knew that Athelstan (925-938) was one of the great English kings, if not the first king of all England. Nobody? Yes, Wood Good, Mike Wood not only knows, he has made a special study of the ineptly named Dark Ages and is dying to tell us all about it. So eager is he that even, when telling us stark historical fact, he finds it hard to keep a keen smile off his face. He has the same boyish enthusiasm as David Attenborough, though, when Attenborough rushes to far-off climes in search of little-known things, Wood chases to far-off times in search of little-known kings. The trouble is that time does a much better demolition job than distance, and there is very little tangible left for Wood to point out from Athelstan's time—a book of two, a woven relic, a bit of stone structure, and that is it. So style has to be the answer. And these programmes are proving to rely on two very different styles, alternating discreetly and quickly. One takes the informal shape of Mike Wood himself striding briskly up church paths, turning the

pages of Athelstan's books, even descending from a helicopter, showing off his discoveries as proudly as any collector taking you through his treasures. The other—infinitely more grandiose and usually announced by thumping music, crashing waves or wonderful weather effects—comes from the *Star Wars* school of archaeology; in the opening minutes the commentary zapped us with Blitzkriegs, and armies being hammered, and spearheads, and military machines, and blow me down if there was not a disembodied Saxon sword floating through the air like a galactic missile. It is all great fun at the time, but curiously the episode that sticks in my memory has nothing to do with Athelstan's military or cultural prowess: it is simply the sight of Wood crashing through the undergrowth following the lines of the estate granted to Athelgard, Athelstan's aristocratic bearer, Saxon charter clutched in his hand like a pre-Donsday AA Guide. Battles may come and go, remote rituals be resurrected, but it is the one chap talking to us that makes the difference. I could have done with even more Mike Wood and rather less ghost campaigning, which left us feeling that England would never again have to fear the Vikings, a feeling which is due to be demolished in next week's programme on Ethelred the Unready. Crash! Bang! A Norse battle-axe floats across the sky! Does anyone know what this portends? Yes, Wood?

ECO/Zukerman Festival Hall/Radio 3

Hilary Finch

If in these days of snoring at so-called box-office programming there has to be an excuse for putting on an evening of three of Mendelssohn's most popular works, then the Royal Philharmonic Society had one ready made.

It was at one of the society's early concerts in May, 1833, that the first performance took place of a "Sinfonia" composed expressly for the Society by F. Mendelssohn Bartholdy. Now, in its 159th season, the society presented this fourth symphony (the Italian) on Wednesday as part of a series which celebrates the world premieres with which they have been associated.

It was the greater pity that Pinchas Zukerman and the English Chamber Orchestra seemed so eager to be through with the work. It had, it is true, that "fine flow of animal spirits" which the first night critic praised; and the brisk tempo of its third movement meant that the mist which often settles on its contours was lifted.

But the first movement's irresistible springing rest was blunted to a rough, albeit unflagging energy, the violins never quite sharply enough in the heart of their notes. And

it was mean to omit the exposition's repeat. This work cannot live by rhythm alone: that element, very much to the fore on Wednesday (as aspiring conductors all around me were demonstrating) is a second movement also with admirably decisive tread, but the lack of selection within the orchestral texture gave little opportunity to relish details on the way.

Mr Zukerman's hedonistic approach worked better in the *Middlemarch* Night's Dream music. If there was little evidence of pale Heats's team in the Overture and more of the drum major's than the court of Athens in the March, the performance had a refreshingly bracing quality.

Always an explorer, he passed before Mendelssohn wrote his E minor Violin Concerto seemed telescoped on Wednesday in Zukerman's strongly projected but in the end lightweight performance. Despite the ECO's attentive and responsive playing, his conducting from the podium seemed to distract, particularly in the slow movement, from playing with that degree of deep assimilation which alone can move or give fresh insight.

Not that his dual role alone should explain away the apparent lack of will to scratch out more than the superficial expressiveness and structural enterprise of this work. We need to be shown that we take such well-known and well-loved music for granted at our peril.

John Ogdon Wigmore Hall

Joan Chissell

It is not always that the Wigmore Hall is as full, or its audience as warm hearted, as on Wednesday when John Ogdon returned to give a piano recital in aid of the Leonard Cheshire Foundation. Although mainly compounded of shorter pieces, the programme in toto was long and taxing, and he played it with unflinching ebullience.

Schubert's well-known Impromptu, op 90, came first, all four of them done with an insistent enough drive and boldness of tone to suggest a Beethoven looking over Schubert's shoulder. The first in G minor was particularly firm and strong. If in the second and fourth of the set Mr Ogdon grew a little excitable too soon, instead of holding more in reserve for their stormier episodes in minor keys, the rippling right hand figuration of the main sections was unfailingly fluent. Grieg's four *Album Leaves*, op 26, found him more

relaxed. Here his playing had a winning lyrical charm while catching all the music's caprice. Scriabin's dreams and visions have always been close to his heart, and in the Eight Studies, op 42, chosen to end the first half he caught the essential phantasmagoric quality of the inspiration even if texture was sometimes confused by inattentive pedalling. The best of the set was the simple, lyrical No 4 in F sharp major, beautifully shaped and sung.

Always an explorer, he returned after the interval to introduce London to "Captain Fecktenburger of the Space Patrol" by the American, Stephen Suber (born 1950), an oddity (including a whistle and percussive tapping) doing justice neither to the world of strip-cartoon nor Bach's "48" allegedly inspiring it. For Mr Ogdon it was not the best preparation for a group of Chopin's Mazurkas either, which emerged over-capricious in rhythm and forced in tone, with all too little contrast between loud and soft. But Liszt's *Don Juan* Reminiscences allowed us to enjoy more of his pianistic panache in its irresistible tunes and sumptuous chordal challenges.

David Wood

My Brother, My Sisters Covent Garden

John Percival

Kenneth MacMillan told me that his ballet *My Brother, My Sisters* is based on a real family, but the way they drive each other mad is so far outside most people's experience that it is an look melodramatic unless he performs carry absolute conviction. In that respect the Royal Ballet's production has ever fully matched the Strutt original, but it moved closer on Wednesday with Stephen Jefferies playing the father.

His dancing of the hectic plot has a ferocity that proves a less exciting than Wayne Eagling's dare-devil acrobatics, and his acting is in a class of its own. He not only reveals character, of his own role, as sure up the rest of the cast. You can see insanity reading like an infection among the sisters whose closed mouths he dominates. Marguerite Porter, new as the first sister, lets the characters sometimes come perilously close to that of tragic-comic Julia in

A Wedding Bouquet, but never quite oversteps the mark, and she gets the essential point of letting evil show through silliness. Unfortunately the drama disappears through Wendy Ellis's presentation of the second sister as a dowdy nonentity, missing the seriousness her predecessors in the part found as an exception to the family's incestuous frivolity.

Genesis Rosato, one of the excellent trio of younger sisters, was also among another batch of newcomers in *Daphnis and Chloe*. Her Lykanion is, I think, the nearest I have seen to Violletta Elvin's prototype, sexy but choosy, with a devastating hint of amusement at her success. Graham Fletcher-Bryant is sharply and vigorously danced. Jennifer Penney will get by as Chloe if she finds herself a less aging wig, but for the ballet to do more than get by it needs dancers about ten years younger in the title parts.

Facade, luckily, is indestructible, although it creaked a bit at Ellis's stiff and genteel polka. Rosalyn Whitten's milkmaid, however, is a joy, from her predatory entry and lascivious straddling of her milking stool to her rueful exit when the three mountaineers fail to come up to expectation.

Drkney's range of new music

wo new music-theatre works by Peter Maxwell Davies will be among the premieres at this year's St Magnus Festival on Orkney, which runs from June 1 to 23. Davies, who now lives in Orkney, is producing new works at a great rate and among those to be heard in the festival he founded is *The Medium*, written for the singer Lucy Thomas.

He says he is really sticking his neck out with the work: it is 45 to 50 minutes of solo voice, and nothing else. He describes the piece as "frantically ambiguous", and, with his Thomas having to portray a wide range of characters in a series of trances, he says it will give her "an acting and singing vehicle more demanding

ing and extreme than any I have created before."

There will also be a short music-theatre work for school children, *The Rainbow*, written for Stranraer Primary School, and incidental music for a new play, *The Well*, by the local author, George Mackay Brown.

Davies's new seven-movement piano sonata, which receives its premiere at the Bath Festival in May, will be repeated by Stephen Pruslin at Stranraer, and the Scottish Chamber Orchestra under Jerzy Maksymiuk will be presenting a new work by Judith Weir. Gennadi Rozhdestvensky will conduct a new short choral piece by Davies, and will also give a four-hands piano recital with his wife Victoria Postnikova.

Entertaining Mr Sloane Lyric, Hammersmith

Ned Chaillet

What Dave King has written about himself in the programme for *Entertaining Mr Sloane* suggests he is dismissive of his talent. Harking back to his days as a comedian, he offers a brief, corny comic turn in place of the usual showbusiness biography. It may please him to be dismissive, but Mr King has become an acting talent to be reckoned with and valued. When he appears on stage, the focus shifts to him just as though he had tilted the floor. Without cracking a smile, he suddenly has the air ringing with laughter. For all I know, he may not think of what he does as acting. Faced with Joe Orton's dialogue, he may simply be striding through the jokes like a night-club comedian. But he is masterful in his creation of a character.

He has created memorable characters before, in *American Buffalo* on stage and recently in the film *The Long Good Friday*. What he does, he does with restraint and a comprehension that communicates itself directly. As the business-minded, young Mr Sloane's landlady he is totally in command of the play. Barbara Windsor is sly, sassy and laughably seductive as she offers Mr Sloane something more than lodging and a Glynn Grinstead has a sullen but faced appeal that turns Mr Sloane into a dangerous sexual commodity, but Mr King has more of comedy and more of danger in his very stillness.

Crispino e la comare Collegiate

William Mann

There cannot be many original operas credited to two composers at once, but such is the case with four works in which the brothers Luigi and Federico Ricci collaborated. The last of them is *Crispino e la comare*, composed for Venice in 1850 to a libretto by Piave, who described it as a fantastic and jocular melodrama.

Crispino and the Fairy Godmother was popular on both sides of the Atlantic. Bernard Shaw caught a revival in London towards the end of the century, and dismissed it as "miserable stuff"; it must have been greatly abbreviated, since it shared a double bill with the first London production of Mascagni's *Cavalleria rusticana*.

Two years ago it was given at Wexford Festival with Sesto Bruscantini and proved a delightful surprise. Now, in a racy English translation by Rodney Blumer, Phoenix Opera have brought it to Camden Festival, where again the boisterous, lilting score and the curious, rather sardonic comedy provide an evening of genial fascination.

Crispino, a penniless cobbler in Venice, is prevented from drowning himself by a fairy godmother who gives him money and orders him to set up in practice as a doctor to



Barbara Windsor, Dave King

Photograph by Donald Cooper

That bolsters the reality of Orton's first play, the only one of his plays which can stand much reality. With an always present tension in Mr King's role, the fact that the young man is a recognizable murderer is somehow less jarring. Mr Sloane may believe he has control of the household, sexually

servicing the sister, wearing a leather uniform for the more restrained brother and regularly beating the elderly father (a well-judged portrayal by David Blake Kelly), but it is obviously a delusion indulged.

Some tension is sacrificed in the final act by the reasonableness of Mr King's behaviour, his cynicism as a businessman

being so evident. Yet Kenneth Williams has seized on the acting to make the play more incisive. His production has the horrible distinction of making such first seem ordinary. Nothing seems bizarre, except the perfect exaggeration of bad taste in Saul Radomsky's design. The production is splendid in its nasty normality.

Book review

Lead with the Left

My First Ninety Six Years

By Manny Shinwell

(Cassell, £6.95)

Old men forget, said Shakespeare, but of course they do not. They (perhaps we?) remember fondly, often mellowly, maybe selectively, and, at best, match the pleasure of an audience in the sound of their own voices. Lord Shinwell, if the absurdity of arithmetic makes him out to be 96 and therefore past his prime, establishes the point in another volume of personal and political memories. On this occasion, as a concession to age, he dictated his story, and the slightly lax discipline gives his book the effect of sustained conversation, with each chapter marking a pause to refill his pipe.

Readers will quickly note an oddity or quirk. On this evidence no politician could be more charming, understanding, open-minded, or sweetly reasonable than Manny Shinwell, yet he repeatedly drops hints that he was sometimes less than loved by his colleagues in Labour politics and at times suffered undeserved unpopularity or some calculated injury. The fact is that Manny Shinwell, the boy boxer of Glasgow, the Clydeside militant, the trade union organizer who did time in prison, always gave as good as he got, and until age mellowed him he would fight his corner and intrigue against all comers. He was and (praise be) continues to be a cockney survivor, with a superadded Glasgow accent.

He carries with him as he walks, like his colleague in the Lords Fenner Brockway, the history of the Labour movement he joined 77 years ago. He was the Clydeside MP who in 1922 proposed that Ramsay MacDonald should replace Clynes as Labour leader and thereby made MacDonald Prime Minister in 1924; he was the party loyalist who in the 1935

general election knocked MacDonald out in Seaham (later Easington). In 1924, within two years of his election to the Commons, Shinwell became a junior Minister for Mines under MacDonald, and in 1929 Financial Secretary, War Office. In the Attlee Administrations, 1945-51, he served as Minister of Fuel and Power, Secretary of State for War, and Minister of Defence. His career then sank into a rather embittered decline, with the loss of his seats on the Opposition front bench and on the Labour national executive committee. Before he went to the House of Lords in 1970 to find a new lease of happy political life, he had to console him only three rather desolate years as the chairman of the Parliamentary Labour Party, of which he was the undisputed elder statesman.

There was a time, I am sure, when Manny Shinwell looked down the arches of the years and thought himself hard done

by, not only by the chances of life and politics but also by his party. He felt himself to be

and was—capable of more service at an age when nobody would give him an insurance policy for purely actuarial reasons, and the bitterness sometimes showed.

Yet his has been a remarkable career: the poor Spitalfields Jew of mixed Dutch and Polish emigré origin, with scant schooling and a feckless father, who had little except courage, pugnacity and an unsecured sense of justice to make his way in life. He could have used his native gifts to pile up a personal fortune, or to become a destructive left-wing agitator. He chose instead, as his admirer Winston Churchill did not fail to note, to become a constitutionalist and a patriot, who still has words of wisdom for the Labour Party if only the new generation were as willing to learn as they are to teach.

David Wood

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Michael Leapman on the American intervention in El Salvador

The flaws in Mr Reagan's Central American line

Given that United States policy in El Salvador is an exercise in *realpolitik*, the relevant question to ask about it is: "Will it work?"

The short-term answer is yes, at least in the military sense. There is little doubt that even the conservative amount of aid and training proposed can make a decisive impact on the small-scale civil war, preventing a victory for the Marxist guerrillas, even if not assuring their comprehensive defeat.

Yet whether the policy will have the desired long-term effect, of permanently ruling out a leftist takeover in El Salvador and its Central American neighbours, is a harder question, bristling with imponderables.

The strength of the left in Central America derives from decades of corrupt and uncaring rule by military dictators concerned chiefly with the maintenance of their power and privileges. In El Salvador, heavy attempts at land reform over the past two years may have had some effect in diluting mass support for the guerrillas, but they have been too mild and have come too late to appease the hill fighters themselves.

By kidnapping businessmen for ransom and by frequent armed robberies on the streets, the guerrillas have raised enough money to buy modern arms on the open market. That is where they say their weapons come from. They deny the authenticity of documents released by the State Department.

ment which suggest that communist allies have supplied their arms.

The failure of their "final offensive" in January suggested that the left has less support in the towns than its leaders had hoped. In areas of the countryside which they occupy, however, they enjoy wide acceptance and collaboration from the peasants.

Reporters who have travelled into guerrilla enclaves describe them as fully functioning self-governing communities outside the jurisdiction of the army and police. They do not observe the 9 pm curfew which applies in the rest of the country.

By contrast, when the army occupies a former guerrilla village, the people leave because of well-founded fear of reprisals. They either slink into the hills with their families or flee to refugee camps inside and outside the country. With some 30 people being killed every day—mainly suspected leftists—there is no doubt that their apprehension is understandable.

For this reason an American-backed military victory over the guerrillas would be no lasting solution to the country's problems. That would have to be negotiated between the factions and may require a level of trust which does not exist, a real and sustained effort at capturing hearts and minds.

The war comes from the Indo-Chinese conflict and angers American diplomats who claim to see no similarity between El Salvador and Vietnam. There

are clear differences, chiefly in the scale of the conflict and the level of the American commitment, yet in a broad sense there is one important comparison to be made.

A built-in weakness for strength, as many would have it, of American diplomacy is that it is in the last resort answerable to Congress and the people, a handicap which does not afflict its totalitarian opponents. The United States had to withdraw from Vietnam because its people were no longer prepared to sacrifice the lives of their sons.

Though no American servicemen are engaged in the El Salvador fighting, continued American support for President Duarte's junta could become untenable for other reasons. The more the monster American press corps there reports right-wing atrocities, apparently condoned by the security forces, the more questions will be raised by the public about whether support should continue.

The Reagan Administration sees the conflict in strict "our side, their side" terms. It has renounced President Carter's approach, with its stress on human rights, saying it is not Washington's business to ensure that its client governments behave better. Yet if "our side" continues to act atrociously, Americans will not necessarily continue to share that vision.

The difficulty of choosing sides in this volatile part of the world is illustrated in nearby Nicaragua. When the

Sandinista rebels ousted General Somoza in 1979, the junta they formed was a coalition of left and right. The Americans, pleased at the departure of a dictator so blatantly corrupt, weighed in with substantial aid.

Since then the junta has been moving to the left, although one of its three members is still a conservative. The Americans have now suspended aid because of Nicaragua's role in supplying arms to the El Salvador guerrillas. It is a moot point whether it will be resumed, particularly following the events of last week-end when the main opposition party was prevented from holding a rally because of intimidation by government supporters.

The permanent withdrawal of American aid would drive Nicaragua into the clutches of the Cubans. "When the West writes us off, the moderates in this country will be dead," Mr William Baer, the executive secretary of the Private Enterprise Organization, said. If that were to happen, America's only recourse would be to give clandestine military assistance to right-wing resistance groups, fomenting further instability. Some are already reported to be training in Florida.

For a newly-installed administration in Washington, the issues in Central America must have appeared refreshingly simple. The clear course of action, as they saw it, was to support the friendly forces of the right against subversive, communist-inspired assaults from the left.



In San Salvador, a soldier holds five leftist People's Front members at gunpoint.

That approach ignores the social and historical circumstances which gave birth to the revolutionary movements. It preempts the option of coming to terms with genuine reform

ist regimes and thus keeping them within the Western sphere of influence.

By committing the United States firmly to supporting the right in El Salvador, President Reagan and Mr Alexander

Haig, his Secretary of State, have flamboyantly shown where they intend to draw the line against communism. Whether the line, once drawn, can ultimately be held, is an open question.

Geoffrey Smith

How equal is the civil service?

The Government's recent refusal to introduce a system to monitor the number of people from ethnic minorities in different grades in the civil service is the latest episode in a continuing political controversy, comparable in its way to the decision, after public protest, not to include an ethnic question in this year's census.

Ethnic monitoring in the civil service has been criticised by race relations experts for years but it has now won a large measure of support from organizations, academics and, perhaps most important of all, from the main civil service trade union.

The Government is still unconvinced. The argument in favour of monitoring is essentially pragmatic: how can you know whether an equal opportunities policy (which the civil service has had since 1969) is working effectively unless you keep a check on numbers? Numbers will not tell the whole story. In fact they can do nothing more than raise questions such as "Why are no blacks employed at this level?"

As Mr Alex Lyon, Labour MP for York, said repeatedly to witnesses called before the Race Relations and Immigration Sub-committee of the House of Commons, you cannot begin to ask such questions until you have the statistics. It is an argument which is difficult to refute. It is clearly impossible to be sure that a policy is effective unless you check its effect. That is the reason for the recent protests by the race relations industry.

It is an argument which is difficult to refute. It is clearly impossible to be sure that a policy is effective unless you check its effect. That is the reason for the recent protests by the race relations industry.

about the idea without committing himself to immediate or expensive action. Since then Mr Timothy Raison, Minister of State at the Home Office, has put a different gloss on the matter.

Speaking in the Race Relations and Immigration Sub-committee, he said Mr Hayhoe's letter did not mean the Government was dead set against monitoring. It was a rare case of the Home Office appearing more progressive than the Civil Service Department.

More research could be on the cards, but this time it would have to be some kind of pilot monitoring exercise. Two and-a-half years ago a Government-commissioned report from the Tavistock Institute drew attention to the importance of monitoring. It suggested that black applicants in the civil service did less well than whites and pointed out the potential hazards to fairness in civil service engagement procedures.

The Government is probably right to be cautious about what kind of monitoring is introduced (though it has little excuse for delaying on commitment to the principle). The issue is extremely sensitive. Many people, both black and white, remain sceptical about the use to which information about ethnic minorities could be put by a malevolent state.

But the Government's principal reason for refusing to act is that it would cost too much money, and was therefore not the most cost-effective way of ensuring equality of opportunity, was the feeblest of all.

It is easy to over-emphasize the value of monitoring but, as the Commission for Racial Equality has pointed out, an equal opportunities law is worthless unless it is enforced. That can be done in various ways, but monitoring must be an important element. It is the way to achieving equality, not an end in itself.

Black groups believe that if the Government were to take it seriously it would be setting an example for all companies and official bodies throughout the country. It would show its critics that it was concerned about rooting out racial discrimination in its own backyard.

Lucy Hodges

Why a Liberal alliance is so critical for the new party

Now that the Social Democrats have at last named the day, what are the chances of March 26 proving to be a memorable date in the history of British politics? They have certainly managed the run-up to the launch of the new party with considerable skill, aided by quite a bit of luck. There has been a sequence of events that a strong sense of momentum has been built up. Even this week they have had two further parliamentary recruits, one from the Labour benches, one from the Conservatives.

Mr Christopher Brocklebank-Fowler's decision is particularly interesting because, at first glance it may seem a little surprising that it is Social Democrats, whom he has chosen to join. It is not really so, unexpected that he should leave the Conservatives. He is a man of notably independent spirit who has been ill at ease in their ranks for some years. He could never fit comfortably into a party led by Mrs Thatcher. The Budget simply provided an issue of sufficient consequence to persuade him to take the dramatic step.

But why did he not join the Liberals? They would surely have provided a more natural home for a defecting Tory than his present resting place, where he finds himself alongside 13 former Labour MPs all protesting that they have left the Labour Party not because they have changed but because it has.

One reason he has not become a Liberal must surely be that he will stand a better chance of holding his seat as a Social Democrat with Liberal support, rather than the other way round. By the last election he had changed Norfolk North West from a very marginal constituency into one with an 8,000 Conservative majority. But there were still nearly 26,000 Labour voters, compared with only 6,500 Liberals. As redistribution will remove quite a slice of Conservative voters before the next election it is clear that he is to hold the seat he will have to win over many former Labour supporters as well as those Tories who will support him on personal grounds.

But another reason Mr Brocklebank-Fowler has preferred the Social Democrats has



Mr Brocklebank-Fowler: a surprising recruit.

more national significance. He has spoken of the added attraction of a new party. It would probably be a fair deduction to say that he believes the Social Democrats to be a potentially stronger and more credible party than the Liberals, provided they form an alliance with the Liberals.

These questions of credibility and of an alliance will be critical to the prospects of the new party, and they are inter-related. It has been evident from the opinion polls for some years that there is a good deal of support available for a moderate centre-left party in this country. The question has been whether that support is tied either to the trade unions or to socialist dogma. The Liberals would be the obvious candidates, except that by themselves they have never been strong enough to be quite credible in the polls. That is why the polls have often showed that more people would vote for them if they were thought to have a chance of winning a general election.

The strength of the Social Democrats is that they have greater credibility. Mr Brocklebank-Fowler's decision was to

want something more far-reaching.

The German Social Democrats are experiencing this difficulty at the moment. In the United States the Democrats have suffered from their McGovernites.

So the British Labour Party is not alone in its problems. But it is its weakness that leaves a gap for another party that would have the additional advantage of not being tied either to the trade unions or to socialist dogma. The Liberals would be the obvious candidates, except that by themselves they have never been strong enough to be quite credible in the polls. That is why the polls have often showed that more people would vote for them if they were thought to have a chance of winning a general election.

The strength of the Social Democrats is that they have greater credibility. Mr Brocklebank-Fowler's decision was to

some extent an acknowledgment of this. It comes partly from their greater political weight and experience as individuals. They have four recent Cabinet ministers, whereas no Liberal MP for more than 30 years has had experience of office. There will now be 14 Social Democratic MPs in the House of Commons, compared with 11 Liberals. There may even be further defections to the Social Democrats in due course. It would not be surprising to find some more Labour members going over to them, and it is conceivable that three or four Conservatives might do so.

The greater credibility of the Social Democrats is also reflected in and sustained by the opinion polls. The polls show that support for a kind of centre party has grown markedly as it has been realized that a new party would be formed. And their strength in

the polls has forced everybody to take the Social Democrats more seriously. The polls have also confirmed how much depends on an effective alliance being formed with the Liberals. The portents here are conflicting. Among Liberals in the country the tide is flowing more strongly in favour of an alliance. But among Liberal MPs there is some unease at what seems to them the difficulty of cooperating with the Social Democrats. This resentment was evident at the meeting of the Parliamentary Liberal Party on Wednesday evening.

There are the weekly meetings of the coordinating committee, usually consisting of Mr David Steel and Mr Alan Beith for the Liberals, and Dr David Owen and Mr John Roper for the Social Democrats. But there have been no formal or even

social meetings between all Social Democrats and Liberal MPs. The Social Democrats have declined a proposal that they should all meet for dinner. Liberal resentment is focused upon Dr David Owen, the Social Democrats' parliamentary chairman, who is thought to be too arrogant and dismissive in his dealings with them. These difficulties ought not to prevent an effective alliance being formed. But if the Liberals are taken too much for granted then the resistance to the alliance, which remains an undercurrent within the party, could block it.

This is one of the principal uncertainties governing the prospects of the Social Democrats. Another is that they will be exceptionally vulnerable to the accidents that can befall all political parties. An established party can shrug off the odd blunder or mischance. But for the Social Democrats that could easily be taken as evidence that after all they were not credible.

If they can avoid these pitfalls, however, then in association with the Liberals they will stand a good chance of making their mark on the British political scene. Despite the polls, they are unlikely to win the next election: established voting habits are too ingrained for that. But the development of British society, and indeed of British politics in recent years, suggests that there is a place for such a party and more than a convenient vehicle for occasional protest.

Sexual deviation: fantasy and fact

Yesterday Sir Michael Havers, the Attorney General, explained the decision not to prosecute Sir Peter Huggan and nine other men under the Post Office Act for sending pornographic literature through the mail. Here Dr Tony Smith, Medical Correspondent, considers whether the use of pornography subjugates or fuels sexual desire.

Like capital punishment, compulsory education and nuclear power, pornography is a topic on which most people hold strong opinions—but facts are hard to find. In western countries, both hard and soft core books and films have become more readily available in the past 20 years, in part with a general relaxation of sexual morality and an increase in the reported crimes of sexual violence.

Those synchronous trends provide no basis for conclusions about cause and effect. May sex criminals have been seduced by pornography, or may collectors of pornography buy again their psychological abnormalities may have been the reason for their collection rather than the result. Nor can much weight be placed on the age-old reliance by prostitutes on pornographic material to seduce their clients. Indeed, the latest research by pharmacologists have shown that the equally traditional antidotes have no biochemical effect on sexual desire or performance.

So whether pornography helps a sexual deviant to sublimate his desire, or fuels the by providing fresh fantasy remains a matter for dispute among psychologists. Some persuasive evidence has come from sex therapists who have shown that an individual's sexual behaviour can be channelled into a new direction by combining the appropriate fantasy with masturbation. Much more has been done on it closely related theme of violence and especially the effect on children of books and television films portraying violence. Here the evidence is fairly consistent and based on well designed research studies.

Children who spend too much time watching television programmes with a high content of beating shootings and other violence have been shown to be more aggressive in their own behaviour immediately afterwards and in the long term. Television violence is not cathartic; it instead it seems to lower the threshold of acceptability at encouraging imitative behaviour. Indeed, the strength of it research findings has led to repeated calls by doctors for reduction in TV violence.

Some distinction may perhaps be drawn between pornography that portrays consenting behaviour and that portrays sexual violence and exploitation; but the conclusion is the same. Pornography, like television studies in that pornography any kind is likely to reinforce the tastes of the viewer reader—and if those tastes are deviant that may be dangerous for society.

Do you have anything that, or, could be considered a security risk?



MOSCOW DIARY

It seemed an odd place for an art exhibition. A hand-written notice on the ground floor door of a 14-storey block of flats directs you to an entrance in the courtyard round the corner. Inside you buy a ticket from a makeshift office and make your way down the concrete stairs and along a narrow corridor into the basement. A uniformed policeman stands at the door, the sound of loud western pop music drifts out, and a big crowd, still in their coats and scarves, is pushing and jostling around the three small rooms.

There are no advertisements or posters outside. But any passer-by can direct you to 23 Malaya Gruzinskaya, the semi-official centre for Moscow's semi-official artists.

Not only literally is there a curious underground feel to the place. None of the paintings that have been accepted for display anywhere else. The themes are clearly "unofficial"—openly religious works, surrealist and super-realist treatment of traditional Russian themes, symbolic representations of good and evil, a few semi-abstract compositions.

None of them would excite much interest in London or Paris. Many appear narrow and rather derivative: Salvador Dali has clearly struck a responsive chord. But here in the Soviet Union, where all art is strictly controlled and prescribed canons of taste dominate, those who venture out on their own do so at considerable personal risk. This gives their works a symbolic importance to a public who appear to lap up anything that is not officially sanctioned, to the cultural authorities, who see ideological challenges in every brush-stroke, and to the artists themselves, who have fought long bureaucratic battles to enjoy a *succès de scandale*.

This is the fourth public showing of works by 20 avant-garde painters since the famous unauthorized open-air exhibition in the summer of 1974 that was broken up by police using bulldozers and water cannon. After the embarrassment caused by the publicity and the subsequent outcry from overseas, official tactics changed, and the artists have been tolerated.

They have been allowed to

attach themselves to a specially formed section of the Moscow city committee of the Graphic Artists' Union, set up to accommodate them after the 1974 fracas. The headquarters are in the same building where the exhibitions are held. Without the protection of the union the artists could be arrested for "parasitism" or failure to hold legitimate employment and could be forbidden to show their works.

As it is they have had sharp disputes over censorship. Before the present exhibition, the Ministry of Culture removed several paintings by one strictly religious artist, Vitaly Litsky, saying they were religious propaganda which the law allowed only in churches. The paintings showed pious symbols, an emotive religious symbol in Russia, and candles against an industrial background. Litsky protested that fire striking paintings is a striking symbol.

The Crucifixion by another artist, Vladislav Provotorov, were allowed to stay: "They just show a myth," the officials retorted. We don't want any new icons like yours.

The Dallesque Crucifixion paintings aroused a lot of comment among the audience— young people in sweaters and anoraks, middle-aged women carrying shopping bags, even the occasional army officer in uniform. One picture showed Christ horizontal against a black sky, the huge, wounded body of his feet pointing out at the viewer. Another showed Christ being whipped by bald and evil old men, and another of the Resurrection had him holding up huge, bloodied palms.

Provotorov was one of the leaders of the unofficial group. At the first exhibition in 1978 he was equally startling with three large canvases of tortured decaying flesh, one of them entitled *Inquisition*.

Many of the paintings consciously referred to famous pictures: a painting of Calvary showed a mountain made up of Bosch-like symbols—an ear, shells, a knife, a church. The *Generation of Shepherds* had a landscape peopled by lizards and evil-looking reptiles. One artist, making fun of the famous painting of Venus at her

toilette, showed a rather ordinary, haggard woman looking at her reflection in the mirror while a devil, not a cherub, gazes down from a nearby picture. There were twists on themes by El Greco and the legend of the birth of Venus—in this case a saccharine-sweet girl enclosed in a glass bell-jar sitting beside a manhole cover on an ordinary Moscow backstreet.

Many paintings impressed with their immense attention to detail. The crystal brilliance of super-realism seemed to be much in vogue, but there were also soft-focus views of ethereal onion-domes of Russian Orthodox churches and brilliant purple and maroon domes seen as geometric cloud patterns in the sky. Religious symbolism underlined much of the collection, but subjective themes such as loneliness probably also kept many of the works out of the state's official displays.

A number of the artists themselves were at the showing. A large book of comments was filled with appreciation: "Well done! Each exhibition is better and more complete", one

woman wrote. Others went into detailed discussion of what they had seen as though they were writing a professional review.

Ironically when you emerge into the daylight you are immediately confronted with a scene that could have come straight from one of the paintings: opposite the block is a huge derelict church, now used as a state store for electric cables and equipment. A truck had drawn up in the grounds and some healthily atheist workers were unloading steel rods.

It happens that another quite different art exhibition is on in Moscow at the moment which could not be more official. Entitled "We are Building Communism", it opened in the central exhibition hall, a stone's throw from the Kremlin, to coincide with the recent party congress. I could not resist the contrast and went along to have a look.

In fact it was surprisingly rewarding. There were of course the ritual political obsequies: a giant bust of Lenin in front of a red flag as soon as you walk into the long,

low hall, once used to stable the imperial horses. Oil portraits of Mr Brezhnev and posters with appropriate slogans about peace and international friendship dominate one corner of the building. But tucked away in the maze of dividing walls were paintings that seemed to me to deviate as far from socialist realism as any at Malaya Gruzinskaya.

The themes were entirely proper: oil-rigs in the frozen wastelands, spacemen in their quilted uniforms, workers cast in the mould of iron, pioneers building the new trans-Siberian railway, peasants in Central Asia, parading around the old Islamic monuments of Samarkand in celebration of Soviet power.

But the artists, most of whom were in their early thirties, had used what were clearly safe subjects to get in their own sometimes disturbing vision. Three young construction workers in the Far East had a bored and blank gaze as they looked across the empty Siberian landscape. A tiny figure on a camel riding across the desert was dwarfed by a huge, cold, unreal

nuclear establishment with its three great globes, one of which appeared to burn with steel flame. A portrait of three Latvian architects had a uncanny feel of the secret police knocking at the door at midnight: one dressed in bright casual clothes, another in a military uniform, and a third in a military uniform with a sword.

Many Russian intellectuals complain that painting, because it is visually subjective and therefore deemed a suitable medium to convey the right political message, is less interesting in Russia today than the less politicized applied arts such as theatre design.

The official attitude does seem still to have much of Khrushchev's famous remark that he liked pictures he could understand and music he could hum. But nevertheless, both officially and semi-officially, there now seem to be many interesting attempts to break out of the stereotyped moulds.

Michael Binyon



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TO THE RESCUE OF COMPUTERS

Yesterday's announcement of a government sponsored rescue package for ICL serves as a further reminder that in the mixed economy at a time of prolonged and severe recession it is difficult to pursue a coherent industrial policy of non-intervention. There were some in the Government when it came to office who held the excessively simple belief that public sector industry was by its nature inefficient and private sector industry by the same token efficient. Thus problems of industrial policy could be solved by returning as much of publicly owned industry to private hands as soon as possible.

Whatever the general merit of the proposition, the case of ICL has shown that in these difficult times it does not ensure that all such problems resolve themselves. For the Government instructed the National Enterprise Board to sell the public's 25 per cent holding in ICL to the private sector in 1979. The problem of ICL, however, was back in the Treasury court less than a year and a half later.

With the Prime Minister in her present mood, there is little likelihood of the Government changing its essentially hostile attitude towards the NEB. Yet, as the hard realities of industrial policy continue to press in upon Sir Keith Joseph at the Department of Industry, the case for a

positive role for the NEB becomes progressively more persuasive.

In many ways it is a case of history repeating itself. The Heath government peremptorily abolished the previous Labour government's Industrial Reorganisation Corporation, because it was a symbol of the kind of direct industrial intervention by Whitehall that was no longer in fashion. From the rescue of the insolvent Rolls-Royce onwards, it became clear that whatever their policy preference modern government in a mixed economy cannot avoid being drawn into industrial involvement of some kind. When they do, an institution with specialised expertise in acting as the state's holding company has many uses.

Mrs Thatcher and Sir Keith Joseph were not so extreme in dealing with the similar National Enterprise Board, which they inherited from the next Labour government. It was not abolished, but it was deliberately and effectively emasculated. Like the old IRC, the new NEB made several mistakes in its early days and aroused hostility. It seems probable, however, that, in its limited function as the Government's agent in monitoring the performance of companies which for one reason or another enjoyed the taxpayers' support, it is potentially more effective than the civil

servants in the Department of Industry and the Treasury. Mrs Thatcher's government is clearly never going to use the NEB as an instrument of active industrial policy in, say, the manner of a Labour government. Its more passive function is, however, one which will have to be carried out under all governments for the foreseeable future.

Indeed, it is possible to argue that part of the Government's present difficulty has arisen because the deterioration in ICL's position has taken it by surprise. Since the NEB shareholding was sold there has been no direct early warning system to indicate that the company would be coming back to the Government for help on this scale. Further, government help has now to be in this politically embarrassing form rather than in the form of continuing NEB support.

Now that the Government and the taxpayer are, once again, directly exposed to the trading performance of ICL, it is clear that closer account will have to be given to it or to the management of the company in future discharges its stewardship. This will have to be done directly via civil servants once again. History does not give cause for much confidence that the Civil Service is well staffed or trained to perform this function.

SIR PETER AND MR HENDERSON

The assertion by Mr Geoffrey Dickens, MP, that the Hayman affair is the biggest cover-up of the century, eclipsing Watergate presumably, is the only hint of comic relief in a sorry tale. Mr Dickens is, of course, under attack for more than exaggeration. The Attorney General and Mr David Steel criticize him for bringing Sir Peter Hayman into public disrepute and for doing so by means of two Commons questions. They regard this method of disclosure as an abuse of parliamentary privilege. Their response is understandable. The spectacle of a distinguished diplomat disgraced in what should have been the happy event of a well earned retirement from public service invites a natural sympathy. His family certainly deserves it.

The Attorney General yesterday justified his earlier appeal to Mr Dickens to spare Sir Peter and his family public humiliation by explaining that Sir Peter was only one of seven men and two women who were spared prosecution following a report to the Director of Public Prosecu-

tions in 1978 that they had been engaged in correspondence of an obscene nature. Their correspondence had been in sealed envelopes, it was not for commercial gain, and none of the material was unsolicited. Sir Peter had subscribed to the Paedophile Information Exchange but that was not an offence and there was no evidence he had ever been involved in its management. For Sir Peter it might have been added, though the Attorney did not, that there is no evidence that he indulged his sexual fantasies, in correspondence or otherwise, at any time when he was a diplomat and when he would certainly have been vulnerable to blackmail.

If there were all there is to the affair Mr Dickens would deserve rebuke. But it is not. The Attorney General signally fails to explain why Sir Peter was throughout allowed the protection of the pseudonym Henderson he used for obscene correspondence when his real name was known. Six people were called to give evidence at the

PIE committal trial and seven others were on the witness list. One individual who began the correspondence with Sir Peter was called; Sir Peter was not. He was, moreover, named in court papers as Henderson.

This was a matter for the police. There may well be an innocent explanation; but that is not the point. It was an error, fuelling the suspicions of special treatment for a man in public life. That can never be tolerated. The penalty in public esteem for Sir Peter being named as a witness in a child pornography case would, of course, have been harsh, but that is an inevitable penalty of public life. Sir Peter has suffered punishment far beyond what might have been exacted for prosecution under section 11 of the Post Office Act, but there is a particular revulsion for anything to do with child pornography, and rightly so. Society is entitled to express its attitude to what is socially objectionable as well as to what is technically illegal. It is a pitiful affair, but Mr Dickens was right.

FRAMEWORK FOR AN INDEPENDENT BELIZE

There are still plenty of difficulties to be overcome before there is a full settlement of the Belize question. But this week's announcement of the terms of the agreement between Britain, Guatemala and Belize marks a step forward on an issue that has been an irritant for many years. In the normal course of events Belize should have been independent long ago. It could of move to independence, however, because Guatemala, basing itself on arguments that went back to the period of the Spanish colonial empire, claimed it as part of its own territory. And Britain, faced with periodic military build-ups on the Guatemalan side of the border, has had to keep some 1,600 troops in Belize in order to deter a possible invasion.

In the agreement that they have now signed, the Guatemalans have given up their claim to Belize; and they have done so without getting a strip of territory in compensation. Cession of territory was something they had pressed for hard, in the past, and the Labour Government dismissed it with them before an treaty here and in Belize put a stop to the idea. But in the latest round of negotiations it was clear to the Guatemalans that there could be no question

of handing over any territory. Instead, they were offered a number of economic advantages—free port facilities in Belize, territorial seas which will give them access to the Caribbean from their own north-eastern ports, the right to joint exploration for oil—and these they have now accepted, at least in principle.

The agreement still has to be turned into a treaty, and the heads of agreement which have been accepted in London translated into firm commitments. The whole package has also to be approved both in Belize and Guatemala, which will not be straightforward in either country. In Belize the main opposition party, the United Democratic Party, has accused the government of a "sell-out", and there was a riot this week after a demonstration by its youth wing. In Guatemala the agreement has been attacked by the National Liberation Movement, a rightist party, in much the same terms. But there is a fair chance that in both countries the terms of the agreement will eventually be accepted.

The main issue still to be settled is the defence of Belize, and whether British troops should remain after independence. In the past, Britain has taken the line that it could not assume respon-

sibility for defending Belize after it became independent. But more recently it has let it be known that it was in fact prepared to protect Belize if Guatemala continued to threaten it after independence; and it was arguably that, coupled with the declared intention of bringing Belize to independence before the end of this year, which persuaded the Guatemalans to negotiate. They faced the prospect of an independent Belize, protected by Britain, and none of the economic incentives being offered them.

The hope must be that a treaty will in due course be signed, based on the London agreement, which will usher in civilized relations between Belize and Guatemala, so that defence will no longer be such a burning issue. It will be hard for Belize to be completely confident about its larger neighbour, with its record of political instability and its appalling policies of repression; and that means that Britain cannot entirely wash its hands of events in that part of Central America. But Guatemala has found itself almost entirely isolated in its claims on Belize. It also has serious difficulties of its own, at a time of upheaval in much of Central America, and can hardly want to add to them by going to war over Belize.

In the immediate crisis, the Atlantic Salmon Trust and its policy deserve the active support of everybody interested in the future of this valuable fish.

Yours faithfully,
TED HUGHES,
Moorstown,
Winkfield,
Devon.
March 4.

Celebrating a royal event

From Mr Claude R. Hart
Sir, There are surely two further benefits of a royal marriage at St Paul's. The route will unify, in celebration, the Cities of both London and Westminster. The length and directness of the route, via The Mall, Strand, Fleet Street and Ludgate Hill, will be both better and from the spectator's and the television coverage's points of view. Previous coronations have proved how lacking in splendour the streets around Westminster are. I remain, Sir, yours faithfully,
CLAUDE R. HART,
68 Bradbourne Road,
Severalls,
March 17.

Way ahead for Ulster

From Mr Julian Amery, MP for Brighton, Pavilion (Conservative)
Sir, Mr John Taylor, MEP, is of course quite right in his letter to *The Times* (March 17) in saying that the four main political parties in Northern Ireland have developed government among their objectives. The trouble is that none of them seem able to agree with the other or in most cases among themselves what form such developed government should take.

In the absence of any such agreement, and now that Mr Atkins has abandoned his initiative, would it not be better to press on with ever steps are practical to limit the extent of direct rule by the Irish Office? The first of these is the enlargement of Ulster representation in Westminster, already a statute. The second would be the establishment of normal local government such as prevails in the rest of the kingdom. Another possible step forward might be to increase Ulster representation in the House of Lords.

Devolution is not, at the time of writing, much in favour in Great Britain. But, of course, if ever there was a move towards devolution, it will not be—Ulster, with its long experience of devolved government, would have a strong case for returning to it. Meanwhile any attempt to restore devolved government to Ulster alone, without the Ulster parties and the Westminster Parliament could agree on its form, would inevitably be seen as diluting the unity of the kingdom.

As a Conservative I personally deplore the dismantling of Stormont. Whatever its imperfections it was a working concern and it is always dangerous to remove what works even with the intention of improving on it. But Stormont suffered from one grave disadvantage. It kept the best political brains of Ulster in Belfast instead of sending them to Westminster. Surely the province that produced a galaxy of field marshals in World War II and sustained statesmen of the calibre of Carson, Craig and Basil Brooke should have risen above the purely provincial level and had more of a say in the affairs of the United Kingdom as a whole. Britain is quite used to being governed by Scotsmen and Welshmen; but, in my time at least, there has never been an Ulsterman in the Cabinet. This is something Ulster should put right.

Yours faithfully,
JULIAN AMERY,
112 Eaton Square, SW1.
March 18.

From Mr Eamon O'Kane
Sir, Brian Feeney of the SDLP (March 12) is unhappy that Mrs Thatcher has acknowledged once again the right of the Northern Ireland people to remain within the United Kingdom so long as that is their freely expressed desire. The appellation "separatist" which Dr Feeney attached to this statement must, perforce, be applied to the construction of his own party since it also acknowledges that the constitutional status of Northern Ireland can only be changed with the consent of the people in the province.

The confusion does not end there. Dr Feeney goes on to claim that Mrs Thatcher failed to "nod in the direction of a substantial dissenting and disaffected minority in Northern Ireland (which the 1981 census will show to be bigger than ever)". The inference here must be that a very large minority in Northern Ireland are entirely opposed to being within the UK and that the 1981 census will demonstrate its growth. But how?

The 1981 census will not ascertain from people their attitude to the continued existence of Northern Ireland within the UK. That question was last asked in 1973 in the border poll and despite the exportations of Dr Feeney's party to abstain, nearly 60 per cent of the electorate voted, and of these, practically 99 per cent returned a vote in favour of remaining within the UK. In order to discover whether this situation has in fact changed, as Dr Feeney clearly implies that it has, should he not be calling for another border poll?

The 1981 census will ask respondents their religious affiliation, if any. Surely, Dr Feeney is not suggesting that conclusions about peoples' views on the constitution can be so deduced from such census data? If that is the case, then the adjective "separatist" can be more fully applied to him since he is quite simply equating religious persuasion with political views.

Yours faithfully,
EAMON O'KANE,
Bristol Avenue, Belfast.

Reporting black unrest

From the Reverend David Stuart-Smith
Sir, I feel I should write in answer to Mr Alan Toop (March 11). My house was burgled recently and three weeks ago I was involved with the mugging of an elderly lady by two white youths.

One of my congregation who teaches in Tulsa High Comprehensive School tells me that they have more trouble from white boys than black because, on the whole, black families are more disciplined than white in that area, and added that Asian families seem to be the most disciplined of all.

Yours faithfully,
D. STUART-SMITH,
2 Thornton Road, SW12.
March 13.

Tunncliffe collection

From Mr H. F. Summerson
Sir, May I say how delighted I am that the Tunncliffe collection is to be sold? We have heard too much about the "national heritage" and the "need to keep the collection together"—nebulous sentiments both. This sale gives the individual a rare and marvellous opportunity to acquire a treasure for himself. Yours faithfully,
H. F. SUMMERSON,
3 Terrett's Place,
Upper Street,
Islington, N1.
March 17.

Soviet stance on disarmament

From Dr Philip Towle
Sir, We know hardly anything about the Soviet decision-making process, particularly as it affects the development of new weapons and the retention of old ones. Consequently it is very difficult for the West to influence these processes by unilateral disarmament gestures and we can rarely be sure that we have done so.

Mr Brezhnev responded to Mr Carter's decision to cancel aid to deter the production of nuclear weapons by announcing that the Soviet Union would not produce such weapons. But, apart from the Soviet leader's word, we have no idea whether the Soviet Union was ever thinking of producing such weapons or whether indeed it has them in its stocks today.

The United States ceased production of chemical weapons many years ago, and western defence forces believe that the Soviet Union has a large and growing stock of chemical weapons, but there are those in the West who dispute this and argue that the Russians have also stopped producing these weapons. Such arguments seem likely to continue almost indefinitely and may increase fears and tensions rather than the reverse.

Mr P. Thompson called (Letter, March 6) for a "rolling campaign of reciprocal initiatives", but its obsession with secrecy prevents the Soviet Union from taking such initiatives with weapons which are under development. Such secrecy would also prevent the West believing what the Soviet Union said about weapons under development or in stocks unless it could verify Soviet statements by satellite reconnaissance.

If secrecy hampers Soviet initiatives of this type, proposed, it is difficult for the West to take disarmament initiatives in the many areas where the Soviet Union is making the running. E. P. Thompson argued that, if the West rejected Pershing 11 and cruise missiles and the Soviet Union "instantly" halt and then reduce its SS 20, the western unilateralist movement would at once lose popular support. In view of the fact that the Russians began deployment of SS 20 in 1977, whilst western missiles will still not be deployed for some years, it is difficult to see the logic of the argument and impossible to believe that the current unilateralist campaign will be influenced by the Soviet failure to respond.

In fact Soviet reactions to western decisions on medium-range ballistic missiles suggest that they are prepared to consider reductions only when the West clearly intends to build up its own forces. United States intermediate-range missiles were removed from Europe in the 1960s, but the Soviet Union has maintained its equivalent missiles to this day.

The Soviet Union rejected with ill-humoured mockery a Western proposal at the United Nations special session on disarmament that states should publish detailed information about their armed forces. Nor is this very surprising but, until the Soviet Government becomes more forthcoming and moderates the pace of its drive for armaments, it is difficult to see how confidence in its intentions can increase, let alone because of these problems that Western govern-

ments have struggled for many years for multilateral arms control agreements. That the process is a slow one no one would deny: that unilateralism offers an alternative seems most unlikely.

Yours faithfully,
PHILIP TOWLE, lecturer in defence studies,
Faculty of History,
West Road, Cambridge.

From Mr Tony Kerpel
Sir, The considered letter by Mr E. P. Thompson (March 6) sets out the new hybrid approach of "multilateral unilateralism" advocated by European Nuclear Disarmament. This attempts to reconcile multilateral disarmament, which enjoys considerable public support, with unilateralism, which is regarded with considerable public scepticism. The obstacle which this new approach does not overcome, however, remains the same as that on which previous initiatives have foundered, namely that the preconditions for the genuine dialogue between "popular opinion" in East and West called for by END simply do not exist in Eastern Europe.

As Roy Medvedev explained to Mr Thompson in their exchange last year, "There are no means in the USSR by which a 'general popular initiative' can be mobilized; we have no independent, free press, and no public movements independent of the control of the party and the Government. Neither the general public nor intellectuals can organize any kind of mass movement which expresses opposition to official policies. There are no public debates about new weapon systems, military budgets, new designs, their rationality, and so on. I consider it to be unrealistic, at the present time, to expect that official Soviet policy will be changed as a result of open public debate and of pressure from below."

The conclusion that an East-West mobilization of public opinion would be, by definition, asymmetrical is reinforced when one reads authoritative pronouncements which leave no doubt as to the Soviet perspective on this question.

A recent article by Professor Major-General A. S. Miloridov of the Lenin Military Academy described nuclear missiles as "fearless weapons of war" in the hands of "imperialism" but "a protective shield of peace" in the hands of the socialist states. The article rejected both pacifism and unilateral disarmament for this reason, and stated: "The Soviet Union cannot undertake the unilateral destruction of its nuclear weapons and indeed has no right to do so, as it is responsible to the peoples of the whole world for peace and progress. Marxist-Leninists categorically reject the assertions of certain bourgeois theoreticians who consider nuclear missile war unjust from any point of view."

Many people, as sincere in their desire for peace as Mr Thompson, will regretfully conclude that while those views hold sway in the East the prospects for successful non-unilateral initiatives are minimal. Yours faithfully,
TONY KERPEL,
Members' Room, The Town Hall,
London Borough of Camden,
Euston Road, NW1.
March 14.

Question of privilege

From the Director of the National Festival of Light
Sir, Mr Julian Fellowes raises two issues of considerable importance in his letter to you today (March 19). They are matters of wider import than whether or not an eminent man should have been prosecuted, or whether Mr Dickens exercised improper use of parliamentary privilege.

The first question is whether it is appropriate in today's open society, with its high level of public knowledge, education and awareness of policies and persons, that the law should exercise such wide discretion over the prosecuting process. In particular, the Attorney General has accumulated, in scores of isolated statutes, the right to prevent any private or police prosecution, or to keep the law out of the courts. Furthermore, the many instances in which the Director of Public Prosecutions has decided not to prosecute need never be made public, nor the grounds on which such decisions have been taken. It is right that this state of affairs should be highlighted, since it represents a real threat to the rule of law.

May I conclude by noting that I write as director of a body which has not rushed to support Mr Dickens in his action, either before or after the book it?

Yours faithfully,
O. R. JOHNSTON,
Nationwide Festival of Light,
21a Down Street, W1.
March 19.

Editor and proprietor

From Mr J. A. Leavey
Sir, Since those who buy newspapers consider that editors are at least as likely to be scoundrels as proprietors and to be even more opinionated, who has spread the gospel of editorial independence? Presumably it is editors and the great armies of those who gather news and views and serve them up with their own individual flavourings.

Moreover, had we not been indoctrinated to prefer the prejudices of editors rather than proprietors, *The Times*, *The Observer*, the *London Evening News* and a long sad string of others might not have gone broke. Certain it is that the behaviour of the editor of the *New Statesman*, as you describe it in your issue of March 6, and that of the editor of the *Sunday Mirror*, in the case of the alleged midnight visit of a girl to the royal train, does not suggest to newspaper readers that editors are more to be trusted than those who pay them. And these are only among the very few cases which come to light.

Awkward squad

From Mr H. C. L. Fossnidge
Sir, Mr Laurence Cotterell's account (March 17) of the origins of "swaddy" or "squadie" is ingenious but somewhat unconvincing. The word is much older, than the swadeshi movement, which goes back only to 1905. Partridge's *Dictionary of Slang and Unconventional English* traces it back to the 1860s as soldiers' and sailors' slang, as far back as 1708 as "swad" or "swadkin" as "swad". It occurs in Ben Jonson's *Tale of a Tub*

Secondly, Mr Fellowes supports the Attorney General in his opinion that the offence in question is "trivial". But this is a little some amateur psychology concerning the effects of pornography. The facts are that every year sees a fresh round of research reports indicating the disinhibiting effects of visual and verbal material of a violent and/or sexual nature. In some cases this has measurable effects upon subsequent behaviour.

Public and postal traffic in such material is prohibited by national law and by an international convention. Can criminal legislation aimed at keeping the law out of the courts, making the world a little safer for women, be dismissed as constituting "an offence so slight that it is beneath the official notice of the law"?

May I conclude by noting that I write as director of a body which has not rushed to support Mr Dickens in his action, either before or after the book it?

Yours faithfully,
O. R. JOHNSTON,
Nationwide Festival of Light,
21a Down Street, W1.
March 19.

Providing minority language TV

From Professor N. R. Garnham
Sir, The position being adopted by the Independent Television Companies Association towards the Welsh language fourth television channel (report, March 17) raises disturbing implications.

It is less than three months since the companies were granted the franchise for which they had applied under known conditions that included the arrangements for financing the Welsh language service. One hopes that the Independent Broadcasting Authority will remind the companies forcefully and publicly of this fact with the rider that they can, if they are dissatisfied, give up their franchises so that other arrangements can be made. I suspect it will be found that they need broadcasting more than broadcasting needs them.

The companies further argue that subsidising such a minority service from revenues earned elsewhere is "wholly removed from the natural responsibilities of the public broadcasters". It cannot be too forcefully asserted that the exact opposite is the case.

The very principle of public service broadcasting, which is as fundamental to the Broadcasting Act governing independent television as it is to the BBC charter and which has guided British broadcasting policy from the beginning, is that so-called minorities are indeed cross-subsidised in terms both of transmission and production expenditure. If such standards of special service proper to public service broadcasting are, in the words of the ITC, "removed from those of the normal British broadcaster", this is a judgment upon the broadcasters and not the standards.

The ITC's position confirms what many of us have long suspected, that they are unhappy in the role of public service broadcasters. Perhaps it would be a kindness therefore, to allow them to quietly slip away so that they can devote themselves to those things for which they appear more fitted, such as running motorway cafes and safari parks. Others more suitable and not more costly could then set on with providing British viewers with the public service to which they are entitled.

Yours faithfully,
NICHOLAS GARNHAM,
Head of Media Studies,
School of Communication,
The Polytechnic of Central London,
18-22 Riding House Street, W1.
March 18.

Civil Service loyalties

From Mr P. B. Edwards
Sir, The Civil Service unions have declared that the sole object of the strikes they have called in revenue collecting departments is to wreck the Government's cash flow. Would it not be more appropriate for the Treasury to issue instructions to all departments to pay no wages or salaries until such time as revenue collection is restored to normal?

Such action could not be interpreted as strike breaking, but merely as a self-inflicted wound. Yours faithfully,
P. B. EDWARDS,
St Helens,
Lancashire.
March 17.

Penny-wise cuts

From Mr Alan Hill
Sir, Your very interesting curriculum vitae ("Man in the news", March 18) of Nigeria's President Shagari contains a sentence of great significance: "Two years later he came to Britain on a British Council sponsorship."

This former overseas student now leads a country which is Britain's biggest trading partner outside the EEC and the United States. This not only vindicates the British Council but highlights the folly of the current drastic reduction in the numbers of overseas students coming to this country. Yours faithfully,
ALAN HILL,
Heinemann Educational Books (Nigeria) Ltd,
23 Bedford Square, WC1.
March 19.

Out of the mouths

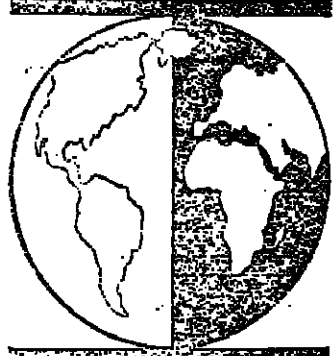
From the Safety Officer of Oxford University
Sir, I have the duty to advise the University of Oxford in all matters pertaining to safety. In particular I have to give guidance on the interpretation of the maze of legislation to which the universities have lately become subject. The most recent addition to this collection is the Control of Pollution (Special Waste) Regulations 1980, which deals with the disposal of noxious substances.

This confusing document contains a schedule of substances, including all laboratory chemicals, which are deemed to be potentially noxious. The test as to whether any sample actually is noxious is intriguing and I quote, "If a single dose of not more than five cubic centimetres would be likely to cause death or serious damage to tissue if ingested by a child of 20 kilograms body weight." On the other hand, it is not possible for a child to ingest five cubic centimetres, which in the case of a listed substance, such as asbestos, might well be so, then that sample does not come under the regulations.

The choice of children as an experimental species is unusual. It may, of course, be an attempt to reduce the number of experiments on animals in view of the recent activities of the anti-vivisection group. However, the document does not reveal where one may obtain a supply of 20-kilogram children for these tests.

It is fair to say that our local authority have said that they are waiting for clarification of certain aspects of these regulations from the Department of the Environment. Yours faithfully,
RUPERT CECIL,
11 Kibble Road,
Oxford.
March 17.

مكتبة الأصل



Japan fears American restraints on car imports

Mr. Rokusuke Tanaka, Japan's international trade and industry minister, has indicated that it may be difficult to curb Japanese car exports to the United States without legal measures. He told a parliamentary committee that he fears the United States may apply its anti-monopoly laws, depending on how the restraint on car exports is arranged.

He was commenting on the restraint expressed by Mr. William French Smith, United States attorney general. Any agreement between America and Japan would have to be carefully constructed to avoid private lawsuits in the United States alleging government complicity in violating anti-monopoly laws, unless Japan made restraints legally binding on its car makers.

Swedish loan stock

The £50m loan stock issued by the Swedish Government closed yesterday and was oversubscribed. The issue is the first to be on tender basis for interest rates. The allotment yield is 13.57 per cent and the stock will bear interest of 13.57 per cent at an issue price of £99.77.

Siberia crude deposits

The Soviet Union will probably be able to extract very little oil from the gigantic Fashenay deposits in Siberia, the Swedish research company, Tevostudis, said.

TV sales surge

Television sets and other items have been in great demand in Tel Aviv since Mr. Yoram Aridor, the finance minister, announced a number of tax and duty reductions. According to some estimates, 90,000 television sets and 8,000 small cars have been imported or ordered since the reductions.

£66m state steel loss

Net losses of the Finlander group, Iuliv's public sector steel industry, more than trebled to about 1,100,000 lire (£462m) last year from 208,000 lire in 1979, Signor Pietro Sette, chairman of IRI, the state industry holding company, said.

Business profits down

Higher costs, mainly caused by rising labour costs, cut into German business profit margins in the second half of 1980. Earnings revenues totalled 107,200m Deutsche marks (£230,057m) in seasonally adjusted terms, down 5.5 per cent from the first half.

Record oil output

Members of the Organization of Petroleum Exporting Countries expanded their refining capacity by a record 17.47 per cent in 1980, an increase over the previous year of 929,400 barrels a day.

Rubber agreement

Malaysia has asked Romania to join the International Natural Rubber Agreement, Mr. Paul Leong, the primary industries minister, said. He urged Romania to take advantage of Malaysia's special monthly commitment of 300 tons of natural rubber to eastern Europe.

Engineering Employers Federation to submit dossier to Chancellor

State industries 'abuse' monopoly

Britain's engineering employers will submit a detailed dossier early next week to Sir Geoffrey Howe, the Chancellor, alleging that state industries are abusing their monopoly powers.

The submission will be based upon evidence provided by engineering companies throughout the country which has been collected by the Engineering Employers' Federation.

Mr. Anthony Fradsham, director general of the federation, wrote to Sir Geoffrey earlier this week complaining that "the Government has fallen down badly on its own managerial role of the public sector, not least because we are ourselves so painfully achieving the changes in industry which your policies demand".

The federation has already emphasized that efforts by state industries to stay within their financing limits have often led to unreasonable trading practices rather than to attacks on inefficiency. The dossier is designed to stress the extent to which the engineering sector is suffering from this additional burden.

Like the rest of industry, the state industries are finding in their normal credit facilities and evidence collected by the federation will show that this action is

not only exacerbating already considerable difficulties but in a number of cases will substantiate their allegations.

Fuel supplies are among the most sensitive subjects. Most regional gas boards, previously allowed companies a seven-day "grace" period for payment of bills, in effect providing companies with 20 days in which to settle invoices.

But in cases notified to the federation area boards have abolished this period and unpaid balances attract interest. In the case of Scottish Gas, for example, this amounts to four per cent above clearing bank base rates.

One company has received an invoice for an extra 99p for being a day late; another was sent a demand for an additional £19 for being six days late in paying its bill.

A Yorkshire company had a minimum gas supply contract with the area board but because the company failed to continue the minimum under the terms of the contract the local gas board demanded £50,000 for the gas it had not used.

The difficulties are not restricted to gas; British Telecom will be among other state industries cited in the federation's submission. It has reviewed its credit control policies and bills are now payable

within three weeks of invoices being dispatched. It is claimed that failure to pay exposes companies to the risk of disconnection within seven days.

According to the federation, one Glasgow company paid a bill for £3,000 on time but then found its telephones cut off because it had inadvertently failed to pay a £10 rental charge for an emergency telephone.

Apart from the obvious problems these developments have caused, the employers' federation will emphasize that most companies operate computerized systems geared to a 30-day payment cycle.

State industries, faced with rigorous application of external financing limits by the Treasury, acknowledge that one result has been that they have tightened up their debt collection procedures.

"The North Eastern Gas Board said: 'We have to be as fair as we can to our customers without cutting our throats. With another round of negotiations coming up for industrial users, we are having to look carefully at each individual case. The good customer of today can be the bankrupt of tomorrow'."

Edward Townsend and Peter Hill

Companies using tie-in sales face Office of Fair Trading inquiry

By David Hewson

Computer companies, brewers, petrol distributors and agricultural suppliers face preliminary investigation by the Office of Fair Trading for tie-in sales of their products to the supply of other goods.

A report by the Monopolies and Mergers Commission published yesterday looked at the sale of television airtime, drugs, and restrictions placed by building societies on the choice of acceptable insurers, but found the arrangements were not against the public interest.

Tie-in sales occur when a particular type of goods or service cannot be acquired without another specified item.

Mr. Sally Oppenheim, Minister of State for Consumer Affairs, announced yesterday that she accepted the commission's conclusion that there

was no need for legislation to prohibit full-line forcing and tie-in sales. Line-forcing is where one item cannot be acquired from a range without some or all of the remaining items.

The commission had studied the general effect on the public interest of such practices and found that the proportion of cases in which they operated against the public interest was not sufficiently high to justify a general prohibition.

The provisions of the Competition Act were sufficient to deal with practices against the public interest, but yesterday's report would be useful in identifying circumstances in which they were harmful, Mrs. Oppenheim said.

A spokesman for the OFT said that the commission's

report would be studied in coming weeks and the Office expected to look at areas where the report suggested investigation.

The commission had received complaints about ties in the hire or purchase of computer equipment. While reaching the conclusion that unjustified tie-in restrictions were the exception rather than the rule, the report lays down guidelines on computer sales and adds that there may be cases which merit investigation under the Competition Act.

Free trade loans made by brewers were not criticized by the report, but it said that tied tenancy agreements, which were outside the terms of its reference, appeared to be much more significant from the point of view of the public interest.

"Full-Line Forcing and Tie-In Sales (HMSO £3.90).

turing operations of the company that were formed into National Bus after the 1968 Transport Act.

The company, which employs about 3,000 is made up of Eastern Coachworks of Lowestoft and Charles Roe of Leeds, both bus body makers; Bristol Commercial Vehicles, which produces chassis; and Leyland National, of Worthington.

BL said yesterday that the increase in profits had been the result of higher productivity at the four operations.

Redundancy notices: Two thirds of the 925 redundancies at the BL truck and tractor plant at Bathgate in West Lothian have been achieved voluntarily.

Notices of compulsory redundancy will be issued today to the remaining 300.

£4.2m profit for BL bus making offshoot

By Edward Townsend

Bus Manufacturers (Holdings), in which BL has a 50 per cent stake, made a pre-tax profit of £4.2m last year, a 40 per cent increase on the previous year.

The company, whose products include the Titan double-deck and National single-deck buses, increased its sales in 1980 by 12 per cent to £69m.

The figures provide one of the few optimistic signs for the finances of BL, which will announce today its overall results for 1980, including an estimated loss of £400m, compared with £122m the previous year.

Bus Manufacturers, in which the other joint shareholder is the National Bus Company, was set up in the late 1960s and brought together the manufac-

ture of the company, which employs about 3,000 is made up of Eastern Coachworks of Lowestoft and Charles Roe of Leeds, both bus body makers; Bristol Commercial Vehicles, which produces chassis; and Leyland National, of Worthington.

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Notices of compulsory redundancy will be issued today to the remaining 300.

The gross weekly earnings of men in full-time manual jobs on adult rates of pay, averaged £113.1 for 43 hours in October, 1980, an increase of more than 18 per cent compared to a year before.

The corresponding figures for women on adult rates were £68.7 for 37 hours, also an increase of about 18 per cent. The figures are given in the

Department of Employment's annual survey of earnings and hours of manual workers in manufacturing, construction, gas, electricity and water supply, mining and quarrying (other than coal mining), transport and communications industries, public administration and some other services.

Earnings figures exclude companies where the employees were working short time.

Figures issued last night by the International Institute of Steel in Brussels revealed that crude production in the non-Communist world fell by almost 3 per cent last month to 36.2 million tonnes, with only the EEC producers showing any marked upturn.

Production among the 29 member countries reporting to the IISI fell by 5.8 per cent, compared to the corresponding period last year and with the steepest fall in Japan.

The level of sales of viewdata sets in Britain has been measured at less than expected. Manufacturers' sales of electronic components and adaptors for viewdata and text sets in London in January to formulate a policy to boost sales.

Last year 30,000 out of a total of 1.9 million colour television sets of all sizes sold in the United Kingdom were for text sets and only 5,000 for viewdata.

The Lucy chip will be made at the Mullard semiconductor plant in Southampton, Hampshire, where other chips are made for sets which can receive Oracle and Oracle the broadcast teletext services.

About 170,000 pages of information are available in the Prestel system through an ordinary telephone circuit. Cee-fax and Oracle broadcast about 500 pages.

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Anger on failure to curb US textiles

By John Huxley

British textile leaders have reacted angrily to the European Commission's unwillingness to curb imports from the United States.

They claim that imports, based on artificially low energy and feedstock costs, are now causing "intolerable pressure" in certain sectors of British industry, especially those making man-made fibres.

Mr. Leonard Regan, president of the British Textile Confederation, said that the industry had lost patience with the Commission.

"The Commission has demonstrated its lack of will and lack of ability to defend the United Kingdom textile industry against disruption from United States imports."

"Further, it is attempting to conceal its failure with a smoke-screen of hollow claims."

The industry had hoped that safeguards, either in the form of voluntary restraints by the Americans or controls, would emerge from this week's meeting of the Council of Ministers.

A report given to the ministers by Herr Wilhelm Haferkamp, the Commissioner for External Relations, suggested that little or no progress had been made.

The debate over alleged unfair competition from United States producers has rumbled on inconclusively for a couple of years, occasionally becoming sufficiently bitter for participants to fear that it would turn into a trade war.

Last year Britain was allowed to introduce quotas on a limited range of synthetic fibres and fibre products. Anti-dumping action has also been taken in respect of some American products.

The British Textile Confederation claims that American action over energy prices has been of limited significance.

"The decontrol of oil prices is welcome, but the Commission can claim no credit for this. It was a domestic decision by the United States. Further, the decontrol of oil meets only the smaller part of the problem of unfair energy pricing."

"Natural gas prices are more significant, and the administration has gone no further than to declare its intent to work in the direction of gas price decontrol before 1985."

Mr. Regan called on the Government to take immediate action to curb imports.

From Mr R. B. Taiter

Sir, Although well intentioned, Sir, the Chancellor has fumbled his handling of the loan guarantee scheme aimed at small businesses.

Nearly every advanced country has successfully developed such a scheme long ago—the exception being the United Kingdom. Despite this, its introduction had been bitterly resisted by the clearing banks.

The facts are that there who have argued that this was "no need". Of course, this line of argument follows the clearer narrow self-interest more closely than the urgent need of small businesses for finance.

The banks recognize that no small business will tolerate their restrictive lending practices, loaded as they are with personal guarantees and the like, if a proper commercial alternative is available. The guaranteed loan scheme provides just such an alternative.

However, to have entrusted the administration of the scheme principally to the clearing banks is to entrust the chickens to the fox.

In contrast in the United States any lender on forming a small business loan company can lend money and obtain a government guarantee from the Small Business Administration. It is recognized as being competitive with the banks who would otherwise neglect positions other than strictly orthodox.

Given the British clearing banks' abysmal record of innovation and their near monopoly position it seems incredible to have entrusted the administration of the scheme to the banks.

Small businesses should not get too excited about the latest package in the Budget as typified by the loan guarantee scheme.

A phone call to Barclays Bank today produced the dead-

pan response that they have received no instructions from head office on the implementation of the scheme. Barclays Bank need office say nothing has yet been finalized with the Department of Industry. The Department of Industry (small businesses section) say that they are still trying to agree terms with the banks.

It is well known that the clearers have fought this proposal tooth and nail. They feel it would compete with their present lending which invariably necessitates directors' personal guarantees.

Have the banks become so powerful that they can frustrate Government policy to suit themselves?

Yours faithfully,
R. B. TAITER,
10, Hanston Road,
Gondar Gardens,
London NW6,
March 16.

Changes to the Lloyd's Bill

From Mr S. Mervyn Herbert

Sir, Mr John Follows' spirited opposition to changes to the Lloyd's Bill (March 18) reads reasonably, but it of course misses the point.

Nobody has any desire to preclude Lady Middleton exercising her undoubted right to intervene in the parliamentary progress of the Bill. The objection is to her purporting to do it as a representative of the Lloyd's Names.

The fact is that Lady Middleton was appointed chairman of a steering committee which was intended to set up the organization needed to assist the External Members of Lloyd's to prepare for the statutory responsibility they will have (when the Bill goes through) of electing members of the new Council of Lloyd's. This steering committee has signally failed to do this.

The great mass of the 15,000 names at Lloyd's are not interested in the concern of Lady Middleton and her colleagues "to improve" the Bill and they are naturally outraged that she should be representing to do this in their name—not to say

with money they subscribed for a totally different purpose.

Yours faithfully,
S. MERVYN HERBERT,
16/17 Bride Lane,
London EC4Y 8EB,
March 18.

From Mr D. N. Vermont

Sir, Mr John Follows' arguments (March 18) are seductive, but they do not alter the fact that Lady Middleton represents a tiny minority of the membership of Lloyd's. The "working Names" devotedly hope that she will not get more support because, first, there never has been any division in the interests of members and there is not one now and, secondly, the agents are the bodies properly constituted to look after all members' interests.

Nobody disputes Lady Middleton's right to do what she has done and she has even been given facilities by the Committee of Lloyd's, but it is also right that MPs and the public should realize the paucity of her support and the reasons for it.

Yours faithfully,
D. N. VERMONT,
Frodsham,
Sawbridgeworth,
Hertfordshire.

From Mr S. T. Fahm

Sir, You carried a report by John Keble in your issue of March 9, highlighting what he saw as "The corruption that grips Nigeria". You also showed a photograph of what purported to be the Lagos harbour, with the additional caption that "bribery was used to help clear the ship."

The report was not only misleading, but also irresponsible and mischievous. There is little doubt that corruption in one form or another does exist in business and commercial circles in West Africa and Europe and it is not, therefore, a peculiar Nigerian disease. What is incontrovertible is the fact that the phenomenon of corruption which may at present be prevalent in Nigeria has come about as a direct result of the activities of expatriates, both European and non-European, in business and commerce who have descended on the country like locusts since the oil boom created the "honey pot" situation in Nigeria and who take it upon themselves to want to do the impossible and solicit support and assistance from Nigerians from the humblest to the highest.

Revenue is as unfortunate as it is insensitive. Nigeria is the only country in the whole of black Africa where the president and chief executive is pre-

pared to declare his assets to the whole world to know an correspondents, such as you own, should ensure that fact relating to misdemeanours, including corruption, which can be proved are placed in the hands of the appropriate authorities before rushing to throw stones from their own proverbial glasshouses.

Anyone who is a Nigeria and who has lived in this country for some time must have been aware of the Poulson enquiries, the Stern/Crow Agents reports and more recently the revelations which surfaced at the trial of Lord Kagan, not to mention the disclosures which accompany the report of "Operation Countryman" which dealt with bribery and high level corruption within the Metropolitan Police Force. No one is saying that this is typical of the United Kingdom, but to put it in a paper of the standard of The Times, crude and unsubstantiated allegations, is unfair, both to the country and to the people of Nigeria.

Yours faithfully,
S. T. FAHM,
81 Apollo Way,
Blackwood,
Gwent,
March 12.

Wide role of secretaries' association

From Mrs P. A. Wride

Sir, As a member of the European Association of Professional Secretaries, I cannot help but be irritated and dismayed by Ross Davies' trivializing account of our United Kingdom measure introduced at the end of last year and which was due to end at the end of June.

Producers have been ordered to limit output under crisis measures introduced at the end of last year and which was due to end at the end of June.

The Commission hopes that the steel producers will be able to agree on a system of voluntary production curbs to follow the mandatory regime, although many producers consider this to be unrealistic.

Compared to a year earlier, EEC production was 5.6 per cent lower, with a fall of 15.7 per cent being recorded by Japan and a drop of 3.4 per cent in crude steel output by American producers.

There was a paucity of information about EAPS, which has members drawn not only from among experienced secretaries but from commercial and industrial corporations and well respected institutions, which belongs as corporates or affiliates, and other sources of note. In addition, EAPS fields members on a variety of educational and advisory committees, provides speakers for secretarial and management training courses, and has a developed programme of informative and enjoyable business functions and meetings, to which top calibre speakers come very willingly.

Agreed, it is perhaps a little unusual for boxes to be taken out by their secretaries, but our annual dinner is a perfectly straightforward business function, no different in every other respect to the numerous other such events which executives attend. Shame on The Thursday and Mr Davies for perpetrating all the silly and embarrassing innuendoes of office life, which are irrelevant for EAPS members and their bosses and associates.

Yours faithfully,
PATRICIA WRIDE,
European Association of Professional Secretaries,
114 Park Street,
London W1Y 4AB,
March 16.

From Mrs Margaret Wilson

Sir, With reference to Mr Skevington's letter (March 18) recounting her use of cold water clothes washing powder, I, too, have a machine with a cold water programme. During a stay in the United States I used regularly a product marketed by Colgate Palmolive and found the results quite satisfactory.

In June, 1980, I wrote a Colgate Palmolive UK asking why I could not purchase similar washing powder in this country and their answer was "At present we have no plan for marketing this product in the United Kingdom."

Electricity costs are high and in any case, we should be conserving energy resources. I would like to contribute to the reduction of our electricity bill (and my husband would be delighted to do so) and stand why the housewives in this country are denied the supply of a satisfactory cold water washing powder.

Yours faithfully,
MARGARET WILSON,
4 Grace Avenue,
Biggin Hill,
Kent.

Washing with cold water

From Mrs Margaret Wilson

Sir, With reference to Mr Skevington's letter (March 18) recounting her use of cold water clothes washing powder, I, too, have a machine with a cold water programme. During a stay in the United States I used regularly a product marketed by Colgate Palmolive and found the results quite satisfactory.

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Cadbury Schweppes Limited

"IMPROVEMENTS IN ALL KEY AREAS"

PRELIMINARY ANNOUNCEMENT BY SIR ADRIAN CADBURY, CHAIRMAN

	1980 £m	1979 £m
Group sales	1,118.9	1,006.0
Trading profit	80.5	70.7
Group profit before tax	61.3	57.3
Taxation	12.8	17.8
Dividends	15.3	14.3
Profit retained	25.8	23.2

BY THE FINANCIAL EDITOR

Cadbury moves into top gear

News of Cadbury Schweppes' £4m profit increase to £61.3m last year impressed the stock market, which has only recently started to come to terms with the group's transformation during the past three years. The shares gained 5p to 83½p, and certainly the result is a vindication of Cadbury's decision four years ago to pull back from scatter-gun diversification and concentrate on the mainstream businesses while investing heavily in automation. Thus, trading margins have even been raised a fraction to 7.2 per cent in the midst of recession and in the face of slack demand in most product areas.

Strong improvements in Australia and South Africa account for the increase, while an accounting change has boosted profits by about £1m. But Cadbury has clearly been winning a larger share of a declining market in the United Kingdom. Meanwhile, tight control on working capital has reduced borrowings and strengthened the balance sheet to the extent that Cadbury can talk confidently of further expansion moves in the United States.

Yielding 7 per cent after a maintained final dividend—the interim went up by a quarter—and total dividends covered one-and-a-half times by current cost earnings, the shares should make further headway. Certainly, in the short-term they should outperform Rowntree-Mackintosh which is expected to reveal lower profits next month, though higher operational gearing and volume sensitivity behind Rowntree's comparatively weak performance could result in that group producing a dramatic profit surge when demand finally picks up.

Money supply growth of 0.9 per cent in February was roughly in line with last week's official prediction. The underlying monthly growth in bank lending to the private sector seems to be settling down at around £490m, less than half the peak rate of last summer. How much further this will fall is open to debate but the present figure is not all that low at a time when the stock market is near its bottom.

Meanwhile, the external finance item has turned positive, presumably reflecting the current account surplus and other resident assets appear to be accumulating in foreign currency to take advantage of higher dollar interest rates.

In these circumstances pressure to generate further capital outflows will intensify as dollar interest rates decline. Little wonder that markets are already looking for another upturn in M.L.R.

A Government Reline

Whatever the arguments over ICL's role in a computer industry, the Government at last seems prepared to give the group the benefit of the doubt that there is a future provided it can survive its short-term cash emergency. That seems to be the conclusion from yesterday's support package on the Department of Industry, involving government guarantee on a further £200m bank loans and research and development of £10-£12m over the next few months. After spending most of the 1970s trying to trade out of the Government's £40m ant. ICL is back to square one except this time the figures are bigger and the risks easier. Even if ICL can struggle through a next couple of years—and the Minister Trade admitted yesterday that government support had become essential—the question for shareholders is what sort of financial state the group will be in. Plainly everything hinges in the trading stock. With the cash outflow now being at in the region of £150m it looks as though conditions have deteriorated further since the start of the year when the drain asked about half that. With virtually all existing bank overdraft facilities of £10m now used up, it is likely that the further £200m facilities could be exhausted in a time—unless there is radical action now. Even taking the best possible outcome, it would well be years before gearing gets back in tune with shareholders' funds which are likely to have fallen to £100m by the end of this year.

The other question so far unanswered is the conditions that attach to the Govern-

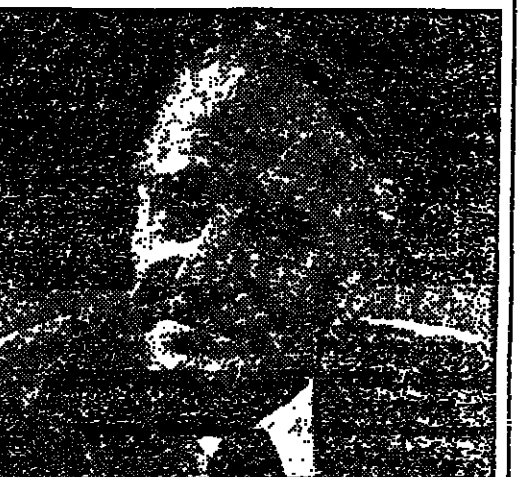
ment guarantee. The terms for the loans are likely to be onerous and the guarantee is linked to the company's performance over the next two years which suggests imminent management changes in view of the way the group was suddenly caught out by the downturn in the market last year. At the 47p suspension price, the group is capitalised at £56m, which reflects bid hopes rather than trading prospects.

Tricentrol An exercise in purity

When many of the United States oil majors are seeking their fortunes in diversification into other natural resources, Tricentrol is moving against the trend in deciding that its prospects and market rating will be enhanced if it can put on a pure exploration face. Certainly, its pot-pourri of commercial operations has taken some of the gloss off a straight oil exposure. But the key to Tricentrol's plans to demerge the non-oil and gas interests appears to lie in its ambitions in North America where investors tend to be less sympathetic to the diversification argument. Thus, potential partners in the United States and Canadian energy field should find the group's paper more acceptable, and with the United States already taking the main thrust of the exploration effort, the group has been persuaded that expansion will be easier if it can command a pure energy rating.

The success of the share placing in the United States and Canada last year and now the deterrent in the latest Budget on the North Sea is causing the group to turn its back on Britain.

That, rather than the final figures showing net income up by half to £15.8m, which unlike earlier years was no better than market expectations, was enough to see the shares 22p up at 306p, enthusiasm that was also reflected in New York. Meanwhile, Tricentrol will need to show all its entrepreneurial flair in emphasizing the growth attractions of its slightly nebulous "high technology projects" if the non-oil company that it will be setting a quote for is not to fall flat on its face.



© BICC, whose chairman is Sir Raymond Pennock (above), placed just over £13m worth of new equity in the London market yesterday to fund the acquisition in the United States of Boschert, an electronic components business. It supported this with an estimate of 1980 profits—up by 13½ per cent to £74.6m—an intention to raise the dividend by 10 per cent and an indication that the balance sheet has strengthened during the past 12 months. The placing duly went like clockwork.

BICC will publish final 1980 figures in three weeks, but it has been clear for some time that it would be an exception to the rule among British manufacturers this year.

One reason is that BICC started rationalizing its United Kingdom cables group, which contributes around 23 per cent of profit, three or four years ago and is able to benefit from these measures during the recession; another, that it has been able to win a high order book overseas, notably in the Middle East. The shares responded by gaining 4p to 213p yesterday where they yield 6.3 per cent, a rating which reflects BICC's performance, but still leaves scope for buyers.

Technology

In the volatile mixture of high technology and highly competitive marketing that is the general purpose computer business, bubbles can burst easily and high flyers can crash rapidly to earth.

Yesterday's announcement by Sir Keith Joseph, Secretary of State for Industry, that ICL, Britain's largest indigenous computer company, is to receive a guarantee of up to £200m for up to two years should restore some stability to that company's operations, at least for the time being.

But what are the long-term prospects, what went wrong and what lessons are there for the future?

In essence, the company's present problems arise from a combination of poor business in 1980 and a requirement for high research and development spending. The high R and D spending is a characteristic of the computer industry; the poor business year was in part a reflection of the general economic depression, aggravated by earlier price cuts by IBM, the American-owned market leader.

Although news of ICL's ill fortune appeared to take the

A breathing-space for ICL

City by surprise last year, the signs were there some time before—both for ICL management and for outside observers.

Could the company's serious position have been avoided by any big change in its span of activity or range of products? The answer is "not really", although this has been suggested by critics recently.

At present the company has a wide range of mainframe computers, a strong minicomputer line, substantial software and bureau operations and a recently launched videodata activity. After initial software problems in recent years with its complex larger machines, ICL has now evolved a sound, across-the-board technology base.

It has developed two ingenious computer devices (known as the distributed-array processor and the content-addressable file store), which are world leaders in technology. Last June it began selling printed circuit boards, using advanced technology, to outside customers in the electronics, telecommunications and computer industries.

ICL's present financial illness coincides (and contrasts) with this technological health. Rather than that it should cut

back to concentrate on one particular sector or another, it could be argued that ICL's future health would be better assured by an expansion (through links with other companies, for example) into other branches of the converging information-technology industries.

But though such links, into telecommunications and overall office automation in particular, may well be desirable for the long-term development of the company, they could not have helped—indeed, they would have exacerbated—its present problems.

It would be prudent for a computer company geared up to an annual 20 per cent growth rate and investing in R and D accordingly to make some provision for a bad year. Within ICL there is a feeling that top management has not been running the ship tightly enough; that a tougher management style would have been more effective.

For the National Enterprise Board the situation will be ironic. Had the board not been instructed to dispose of its holding in ICL the present crisis probably would not have arisen. Not only would access to the required resources have

been facilitated, but the monitoring of the company's operations, which forms a routine part of the board's activities with any company in which it has a holding, could well have given an early warning of the deteriorating position and could have led to some corrective action.

Sir Keith mentioned yesterday the importance which the Government attached to the continuing health of ICL by virtue of the fact that the Government is a major user of the company's products. This has been one factor in the continued support for the company since its formation in 1958 from successive governments, both Labour and Conservative.

But by the end of 1979 the Government's 25 per cent holding in ICL had been shed and one year later the preference in central government computer procurement was given to the IBM and the European market, and the world market, are dominated by American suppliers.

The guarantee announced yesterday, Sir Keith emphasized, was for a limited amount

—and for a limited time. It should give the company the opportunity to review its longer-term business opportunities.

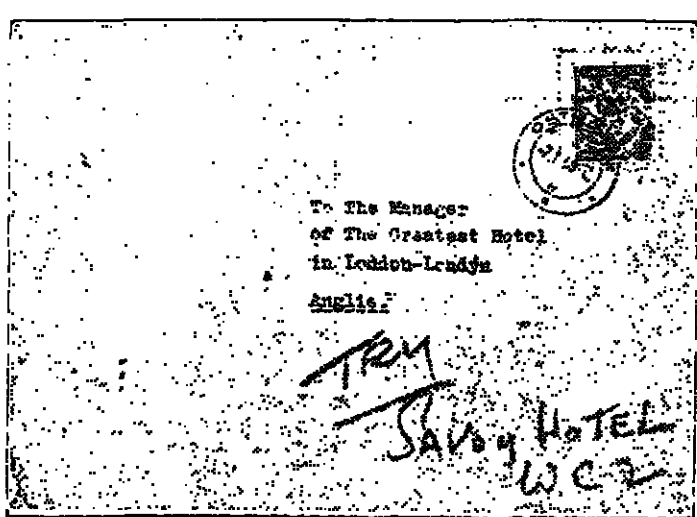
Over the past year Dr Christopher Wilson, ICL managing director, has been arguing that there should be a public sector computer procurement policy for the European Community which would benefit the "truly European industry". Public sector business should be awarded in accordance with a priority list, he proposes, ranging from a national, broadly European supplier to an international competitive bid.

ICL has about 9 per cent of the European computer market (and about 3 per cent of the worldwide computer market). The European market, and the world market, are dominated by American suppliers.

"If Europe's computer requirements are met primarily by the United States," Dr Wilson says, "with Japan as the principal second source, then these two countries will have their hands upon the means to control the pace and direction of Europe's social and economic development."

Kenneth Owen

Savoy battle: how do both sides measure up?



Reproduced from The Savoy by Stanley Jackson published by Frederick Muller.

A popular view of The Savoy Hotel.

Savoy Hotel itself seems to have been too supremely reliant on American customers whose numbers diminished as sterling grew strong and recession took its toll.

THF spotted the drifting American trend in time to drum up more custom from the continent, visitors from which last year tended to offset the American decline.

If Sir Charles got the Savoy the danger could be profit at any cost. That, says his critics, would mean the loss of that je ne sais quoi that separates the merely first class hotel from the very great.

Mr Joseph Max Munzel, of Plainfield, New Jersey, put the point rather more colourfully the other day in a letter to the Financial Times. Mr Munzel is one of the smaller shareholders in the Savoy Group, investing because he likes the Savoy Hotel for its thoughtful service, friendly atmosphere and its sense of history.

He had stayed at the George V in central Paris, one of three Forté hotels there. He wrote: "There were holes in the sheets. The service was efficient but cold. The lights in my room were dim and the food was indigestible. But anyone who can read a ledger knows that the George V turned in a profit."

Has the George V suffered under THF in the past decade? Every customer will give it his own personal rating, but the Michelin Guide awards it the highest number of normal rating points, five. The other luxury class THF hotel in Paris, the Plaza Athénée—whose staff protested in the streets when THF took over—gets the Michelin accolade of five red symbols, the highest award only with the Paris Ritz.

Mr Ronay, in the mid-seventies put the Athénée—when it was already under THF management—among the best 18 hotels in the European Economic Community.

He also included in that select band THF's Grosvenor House, which with the Hyde Park Hotel is at the top of the THF range in London. He and Michelin's Great Britain Guide take about the same view of these two hotels.

Mr Ronay reckons that any hotel which gets 85 percentage points or more on his scale is in the de luxe class as opposed to first class. The Grosvenor House has been a 93 points for some time and the Hyde Park, now at 82, put on a couple of points in 1980.

The view of some hoteliers is that the Hyde Park has improved. But the Automobile Association's hotels and restaurants guide hands out none of its coveted red stars either to the Grosvenor House or the Hyde Park, although they rate five black stars for their facilities.

If Sir Charles comes out of this sort of comparison better than he is given credit for, the case of the Pierre Hotel in New York's Manhattan may tip the balance the other way. Mr Ronay last time round rated it the best New York Hotel. In less than ten years THF, running the Pierre on a management contract, had turned it in to profit after years of losses, spending some \$2m in the process.

But a three-year break clause in the management contract came up at the beginning of this year and THF lost it to the Toronto-based Four Seasons group which runs London's Inn on the Park.

Mr Ronay thinks well of the Savoy Group's Berkeley, that splendid hotel in Knightsbridge with the atmosphere of an elegant private house. At one time it rated 96 points and slipped to 90 before settling at its present 92 on the Ronay scale. The group's Connaught and Claridges also scored 92.

Europe grows nervous over interest rates

Peter Norman

Brussels

The finance ministers of the European Economic Community agreed this week that interest rates are too high and ought to come down. If the politicians have their way, their is likely to be some sort of coordinated effort by the EEC member states, between now and the world economic summit in Ottawa in July, to move the United States in action to bring down rates from their present high levels.

Even supporters of the idea admit that a lot of thought has still got to be put into such a project, while central bankers are already expressing profound scepticism.

Support for the idea is particularly strong in countries like West Germany, Holland and Belgium where real interest rates (nominal rates adjusted for inflation) are very high. Inflation in Germany is at present oscillating between 5 and 6 per cent, but since the tightening of the federal bank policy on credit last month, short-term rates have been hovering around 12 per cent and long-term capital market rates above 10 per cent. In Belgium, which has an inflation rate similar to that of West Germany, the real interest rate is even higher.

High real interest rates like these are a dampener on economic growth. A sudden tightening of credit conditions, such as that which occurred in West Germany last month, may not affect the long-term investment programmes of large companies, but it has an impact on the investment plans of small and medium-sized businesses and the construction industry.

So, with Western Europe in a recession, it is hardly surprising that men like Herr Hans Martinhofer, West Germany's Social Democrat finance minister, should be tempted to call for international "concerted action" to cut rates.

On paper nothing looks easier. Such a move would be readily understandable and could work through swiftly into increased economic activity. But recent history suggests that such a move would have to be the product of unusually favourable circumstances. There have been very few occasions when a concerted reduction in interest rates has been either possible or desirable and

circumstances at present look particularly unfavourable.

Much of the blame for the present high level of interest rates in Europe has been laid on the door of the United States. But as Mr Alfons Van Der Ssee, the Dutch finance minister, admitted this week, the Americans are only following the advice given to them, often gratuitously, by European politicians over the past few years, that they should concentrate on reducing their double figure inflation rate.

"What would happen if we were to ask the Americans to lower their interest rates?" asked one senior European central bank official this week. "They would laugh in our faces."

Away from the political limelight there is a strong feeling among European monetary officials that the new American Administration should be given time to get on with the task of pushing through its economic policies.

"The last thing we should do is fly off on some half-baked initiative," said one official. "If we discourage the Americans from fighting inflation at this stage we shall have a hell of a lot more trouble in the future—in six or nine months time."

In the months up to Ottawa there are likely to be contradictory pressures on policy development. The populist, political drive to cut interest rates is likely to be resisted, particularly in the central banks, which have to push through monetary policy. Nor will this resistance be conditioned solely by the belief that American inflation must be brought under control.

High real interest rates in countries like Germany and Belgium, which appear "unfair" to government circles, reflect domestic economic problems as well as the competitive lure of American capital markets. Germany would have no difficulties with credit policy if it were not running the current account balance of payments deficit in the world. Belgium would have less cause to complain if it were not saddled with the high per capita level of state debt in the West.

But even if the idea of a frontal assault on interest rates loses favour, the issue is unlikely to disappear. A cynical view is that political prestige has become a major factor in the observation that interest rates are too high and, as long as the level is dictated by developments in the United States, governments are presented with a useful alibi for failings at home.

There is also a belief among most European governments that a different policy mix in the United States might at least prevent extravagant rate rises.

The coming months are likely to see an attempt on the part of the Europeans to gain a better understanding of how United States interest rates function and how they are managed. One big difference between the United States and Europe seems to be in the treatment of interest payments by the tax authorities.

The 20 per cent interest rate that draws capital from Europe across the Atlantic moving rates in the EEC to cause upwards is viewed differently by the United States consumer who enjoys generous provisions for offsetting interest payments against tax. What appears to be a high real dollar interest rate could even be a negative rate to the American debtor paying United States taxes.

Another key area where the level of mutual understanding could be increased is the working of different types of monetary policy—such as the American monetary base system—on interest rate movements.

These technical issues are already the subject of continuing contact between the United States and the European central banks at the political level. There is much to be said for the members of the European monetary system improving their policy coordination towards the dollar.

In the past, accidental factors have given an extra upward push to interest rates and there is legitimate concern that this should not happen while they are at the present high levels.

Interest rate disalignment may look Utopian, but there is important scope for cooperation to avoid competitive interest rate increases.

Business Diary: Greeks bearing gifts? • Insurance's Ombudsman

irgil's line about fearing Greeks even though they bear gifts is not deterring businessmen against John Biffen and Sir Francis Sandilands from receiving with open arms a posse of Greek bankers and politicians. Sir Francis, chairman of Commercial Union Assurance, is so chairman of the City's committee on the Exporters' and it was in this role yesterday that he entertained to such a delegation of bankers, who are here under the leadership of Euthymios Christodoulou, governor of the central Bank of Greece. John Biffen, Secretary of the Trade, has received in his turn Greece's Minister for Economic Coordination, an Palkotiras. Biffen's department wants to subsidize a £150m bid by a Greek consortium led by GEC build and supply coal to a power station in Greece. Palkotiras, having been told that Greek gifts, is said to have id something to the Memorandum of Understanding signed last year still stands. Governor Christodoulou and his team were talking to Sir Francis and his team about services the Greeks might offer. Today the banker ens a branch of the National Bank here and signs a loan—first non-European \$100m from Arab institutions, among them a new one capitalised at £1,000m, the Arab Bank Corporation.

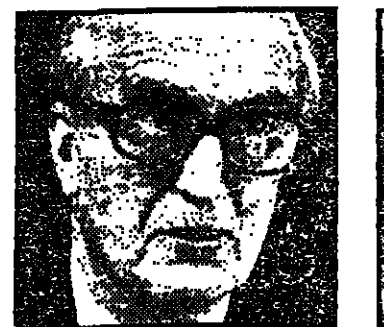
The precise and dapper military men of Sir James Haswell, is not deceptive. Haswell spent many years with the Army Legal Service and says that sorting out the financial, legal and marital problems of the soldiers was excellent training for holding the ring between insurance companies and dissatisfied policy-holders.

This particular ombudsman was the idea of General Accident, Guardian Royal Exchange and Royal Insurance, which unlike fellow insurers saw the need for an independent alternative to the courts.

Watching the watchdog will be the Council of the newly-formed Insurance Ombudsman Bureau (financed initially by the same three), peopled by representatives from, among others, the Consumers' Association and the Citizens Advice Bureau and under the chair-

He is lining up experts from the European Commission and the Department of Trade, as well as "a Frenchman", to tell civil engineers how to "beat the French at their own game" and win a greater share of lucrative aid contracts in the developing "countries". A Frenchman turns out to be André Auclert, head of finance and administration in directorate general VIII in Brussels, which deals with development.

Hord, a chartered surveyor, and a member of the European Democratic Group—Tories to you—says that contracts worth millions of pounds for building roads, runways and other big engineering jobs are being paid for from European funds



Mr. James Haswell.

manship of the redoubtable Mrs. Joan Macintosh, vice-chairman of the National Consumer Council and formerly with the Foreign Office.

Haswell will be in business from the end of the month as "counsellor, conciliator, arbitrator and adjudicator" to deal with grievances and complaints from disgruntled motorists.

It looks as if the slump is causing a chain reaction in chemical industry trade associations. The British Plastics Federation is the latest such association to run into financial difficulties. The Chemical Industries Association has already announced that it is to shed about 30 jobs.

The plastics federation made an operating loss last year. This is not unprecedented but the amount is disturbingly large—like most other industry organizations it is now working hard to keep its members. About 350 companies belong to it, but it is said that dozens have indicated that they want to resign.

It is an understandable economy in a time of great difficulty, but Anthony Holmes-Walker, the federation director, and his team are talking to each company individually to try to persuade them that it is not in their best interests to baulk out now that the going is tough.

He has not been helped by a hefty increase in fees, calculated on last year's turnover when business was more buoyant. Meanwhile, the plastics federation is cutting its coat—plastic mac?—according to its members' cloth. Over the past 12 months the wage bill has been cut by 15 per cent, with staff slumped from 50 to 41.



Mrs. Joan Macintosh

householders and travellers who insure with any of the nine Insurance Ombudsman Bureau companies.

Despite the initial snottiness of other insurers, the list of those thinking of signing up grows by the hour, as more and more fancy the whiter than white mantle that IOB membership might bestow.

Then the naughty lady's words cut into my consciousness, as she said: "Alan Coren is ill and you're next on our list." After all, I was a television critic and would therefore do...

It was at this point that I had to restrain myself from accepting the invitation.

Candour prevailed, and I let the naughty lady in on a secret—the chap she wanted was not me, Ross Davies, but Russell Tovey, the television chap on The Sunday Times, with whom I am occasionally confused by our common switchboard.

Freudian slip of the week. I think, was when a BBC Radio newscaster said: "Mr Roy Jenkins, speaking at a Budget—er—banquet..." Sir Geoffrey's latest effort did not fail to bring me one or two of Wog's when in office. Alternatively, could the newscaster have been thinking that we were joking back with the little red box era long?

Ross Davies

FINANCIAL NEWS

Stock markets

Hopes of cut in MLR boost gilts

Indications from the Treasury that the recession was bottoming out, and renewed speculation of another cut in MLR, attracted further institutional support yesterday.

Share prices raced ahead from the start with strong support for second liners. Jobbers, still under pressure from a general stock shortage and lack of selling pressure, are already talking of going through the 525 mark some time during the next account. The current strength of Wall Street is a major incentive.

Sentiment was also supported yesterday by the long list of bid situations and the exceptionally large number of company results. Full-year figures from Cadbury Schweppes pushed the shares up 5p to 83p.

Building shares again came in for close scrutiny but early demand for gold on the back of the bullion price soon petered out as it closed \$1 down at \$308.50 an ounce.

The FT Index opened 0.5 higher and rallied to 6.4 at 3 pm, before profit taking on the back of early trading on Wall Street saw it close 5.6 up at 496.7.

The continued strength of sterling and talk of another cut in MLR kept Government securities moving ahead. Dealers reported prices about £1 higher in anticipation of foreign buyers. In the event, most of the demand was from home-based institutions. Prices at one stage were as much as £1 higher. The Government Broker sold a little more of the new tax Exchequer 12½ per cent 1990 at £15½ after which it was

withdrawn. By the close, prices in long were below their best but still showed rises of up to £1, while in shorts the gains were restricted to around £1. The money supply figures were as expected.

Leading industrials again remained neglected but prices showed mostly higher in line with the rest of the market. Bawer was an outstanding feature, ahead of figures next

month, rising 9p to 213p as buyers came in for its oil and gas exploration interests in the United States. Other rises saw ICI up 2p to 236p, Becton Dickinson 1p to 170p, Glaxo 4p to 280p, Unilever 3p to 493p, Fisons 7p to 155p, Distillers 1p to 189p and BOC International 3p to 177p. Lucas reporting next week, tumbling 5p to 166p.

Shares of ICI were suspended at 47p pending the announcement of a £200m loan arrangement.

Engineering shares again attracted enquiries on the back of GKN's recent figures. GKN itself, eased 1p to 137p on profit taking but sharp rises

were seen in Metal Box 4p to 174p, Tubes 6p to 194p and Hawker Siddeley 8p to 290p.

Among the second string stocks, Anderson Strathclyde hardened 3p to 87p after comment with Bostell 4p higher at 362p, ahead of figures next week, and Camford Engineering 5p stronger at 24p. Half Engineering rallied 14p to 170p after figures but halved profits clipped 5p from Wolsley Hughes at 228p and Thomas Tilling dipped 7p to 155p after comment on its recent figures.

Building shares also found further support with Barratt Developments up 10p to 240p and Fairclough Construction 2p higher at 97p. Both having reported earlier this week. Hepworth Ceramics ended 8p dearer at 113p, after figures, and with jobbers short of stock BPB leapt 16p to 265p. Travis & Arnold eased 2p to 168p after a recent bid deal and nervous selling stripped 5p from Brown & Jackson at 88p.

The renewed demand for leisure shares saw Ladbroke advance 11p to a high of 286p along with Pleasureama 8p to 213p. Maintenance Agency & Music 8p to 198p and De Vere 10p to 228p. But Epicure eased 2p to 283p in late trading after its hotel disposal.

On the bid scene, Grand Metropolitan rose 5p to 192p in the wake of its bid for 213p. Maintenance Agency & Music 8p to 198p and De Vere 10p to 228p. But Epicure eased 2p to 283p in late trading after its hotel disposal.

Warner Holidays where the ordinary picked up 3p to 130p and the "A" 1p to 103p. Trusthouse Forte also made ground, up 3p to 206p, still fighting to gain control of the Savoy Hotels where the "A" hardened 1p to 170p. Elder Smith was another firm spot,

rising 17p to 195p as Mr Robert Holmes A Court's Bell Group announced it had increased its stake to 50 per cent.

In banks, Standard Chartered recovered another 7p to 574p following its merger proposals for Royal Bank of Scotland 2p dearer at 132p while Lloyds & Scottish, currently the target of Lloyds Bank, edged ahead 2p to 199p. Lloyds Bank was 3p firmer at 318p. Elsewhere, Midland, reporting later today, increased 5p to 313p along with Barclays 2p to 390p, but National Westminster fell 1p to 355p.

Rumours of a bid in the offing for Commercial Union caused a flurry of activity in the company. Commercial Union, which goes ex div at the end of the month, rose 3p to 167p followed by Royal

Talk of a 60p a share bid from the Far East sent shares of London & Overseas Freighters jumping 4p to 423p yesterday. Brokers Lawrence Prust are said to be active buyers, and their extensive Far Eastern connections add further support to the theory.

Insurance 5p at 388p, General Accident 12p at 340p, GRE 10p at 352p and Sun Alliance 2p at 814p.

Among the long list of companies reporting, satisfactory trading news added 1p to A & J Mucklow, 2p to Britannia Arrow at 47p, 3p to T. Clarke at 24p, 10p to S. Tacey at 150p, 2p to Sharpe & Fisher at 47p and 10p to Steeley at 181p. But the market was less than impressed with figures from FW Thorpe down 2p at 105p, Wolsley Hughes 5p lighter at 225p, Hawley Leisure 1p at 58p.

Equity turnover for March 18 was £155.523m (bargeains 8,812). Active stock trading was to the Exchange Telegraph, were Cadbury Schweppes, Lesmo, Hawley Leisure, Plessey, Liverpool Daily Post, Ladbroke, BPB, Commercial Union, Rascal, Hepworth Ceramics, Pleasureama and Steeley.

Traditional options: Dealers reported increased activity yesterday. Calls were made in British Aerospace, Tanks, Rustenburg, Turner and Newall, Booker McConnell, Conex at a rate of 1p, Keith Collins Per at 4p and Howard Machinery at 1p.

Traded options: A total of 1,772 contracts were recorded yesterday. These included: Rascal with 26, Shell 10, Commercial Union 58, GEC 58, ICI 14, and Lasso 13.

Philips down as costs and competition take toll

By Our Financial Staff

Philips Lamps Holding, the Dutch electrical giant, maintained its final dividend at 1.20 florins despite a slump in consolidated net profit from 564m florins to 328m florins (563.2m). Earnings per share came to 1.92 florins, well below the previous year's 3.29 florins. But holding the final dividend means that the full payout is also maintained at 1.80 florins. Last year's earnings were squeezed as consolidated sales rose by 7 per cent to 36,536m florins. Operating profits were 1,796m florins, causing operating margins as a percentage of sales to fall from 5.4 to 4.3.

The results include extraordinary charges of 179m florins and 600m florins written off in restructuring costs. But Philips also had tax benefits of 290m florins from the write off costs and another 131m florins from stock relief in Britain.

The restructuring costs were forecasted at the end of last year, when the company said that it would reorganise some of its manufacturing divisions. At the same time, Philips warned that much reduced profits in the first three quarters of the year would be reflected in the final figures.

Charterhouse Petroleum beats forecast

Charterhouse Petroleum has exceeded the profits forecast made in August when it was floated on the Stock Exchange by the Charterhouse group. Yesterday's results showed pre-tax profits of £5.3m for the six months to December, compared with the £4.85m forecast. An interim dividend of 0.71p gross is recommended. The results included earned interest of £1.5m against a forecast of £1.1m. Short-term deposits amounted to £23.9m.

Sales during the period were £6.6m but were affected by a price fall in the first half of the year. The company's cost of sales fell from £1.1m to £1.0m, a result of lower costs. The forecast operating profit of £1.3m was achieved.

Production at the Thistle Field has been affected by difficulties with water and gas injection equipment and this is likely to restrict the barrels lifted per day to 140,000.

Lex falls to £12.8m but steady payout aids shares

By Rosemary Unsworth

Lex Service Group's profits plunged last year from £22.8m to £12.8m despite a 4 per cent improvement in the number of Volvos registered.

While group sales increased slightly from £499m to £503m in 1980, the hotels-to-car distribution group headed by Mr Trevor Chion, saw all its businesses hit by the recession and increased competition. Lex earned two thirds of its profits from Volvo for which it is the sole United Kingdom concessionaire. Margins here came under pressure as smaller cars became more popular than large ones.

During the year Lex sold three Volvo cars each at Heathrow and Gatwick airports to EHC Penta Hotels for £2.5m cash and repayment of inter-company loans of £12m. The third hotel was in Chicago, and was sold for £2m.

The restructuring of Lex



Mr Trevor Chion, chairman of Lex Service Group.

Vehicle Leasing in association with Lombard North Central also helped to reduce borrowings from £50m to £41m last year. Nevertheless, interest charges rose by a third from £6m to £8.2m.

The final dividend has been maintained at 6p gross, while the 4p interim payout holds the total at 10p. The decision not to cut the dividend helped the shares to close unchanged at 100p, and give a yield of 10 per cent.

Since the year end, Lex has received the £8.2m proceeds from its sale of the 28 per cent stake in United Carriers, a road transport competitor. The deal showed a 54m profit. Lex which bought the shares in 1978 and 1979 but failed to go to a takeover, represented by Whitehall Hotel in Houston Texas for £47.5m.

The group's agreement with AB Volvo to import and distribute the cars, and parts, the United Kingdom has been extended. It was previously five years to December 1984 but it has now become four-five year rolling contract.

Briefly

Northern Foods - is accepting all-share offer for Robertson Foods in respect of its 4.6 per cent stake in Robertson. Tattler and Lyle is to take over the running of Jamaica's eight government-owned sugar refineries. The agreement, which is for seven years, has been reached with the Jamaica National Sugar Corporation. It is in line with Tate's policy of developing its consultancy services business. Tate is the only refiner in Britain of cane sugar, much of which comes from the West Indies. The agreement may also reflect the swing to the left in the Jamaican government.

James Walker Goldsmith & Silver - Turnover for half year to September 30, 1980, £4.38m (1979, £4.38m). Pretax profit of £94,000 (1979, £10,311m). Pretax profits, £570,000 (1979, £1,221m). Interim payment unchanged.

George Ingham & Co (Holdings) - Turnover for half year to September 30, 1980, £11.59m (1979, £11.59m). Pretax profits, £570,000 (1979, £1,221m). Interim payment unchanged.

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Second City Properties: Turnover

for half year to October 31, 1980, £18.45m (1979, £18.45m). Pretax profit £550,000 (1979, £550,000). Interim dividend £0.619p (1979, £0.619p). Chairman is confident that final results will be satisfactory. Pressac Holdings: Interim dividend cut from 0.8p to 0.6p but should trading position improve board hopes to maintain level of last year's dividend. £2.74m (£2.74m) for half year to Jan 31. Pretax loss £112,000 (profit £276,000). Loss per share 1.2p (earnings 1.32p).

F. W. Thorpe: Turnover for half year to Dec 31, £2.01m (£2.01m). Pretax profit £274,000 (£274,000). Interim 1.0p (same). Board says export sales have been depressed and that the company is working to improve margins due to keen international competition and high pound. Home market remains depressed and board can not yet see any positive signs of an improvement.

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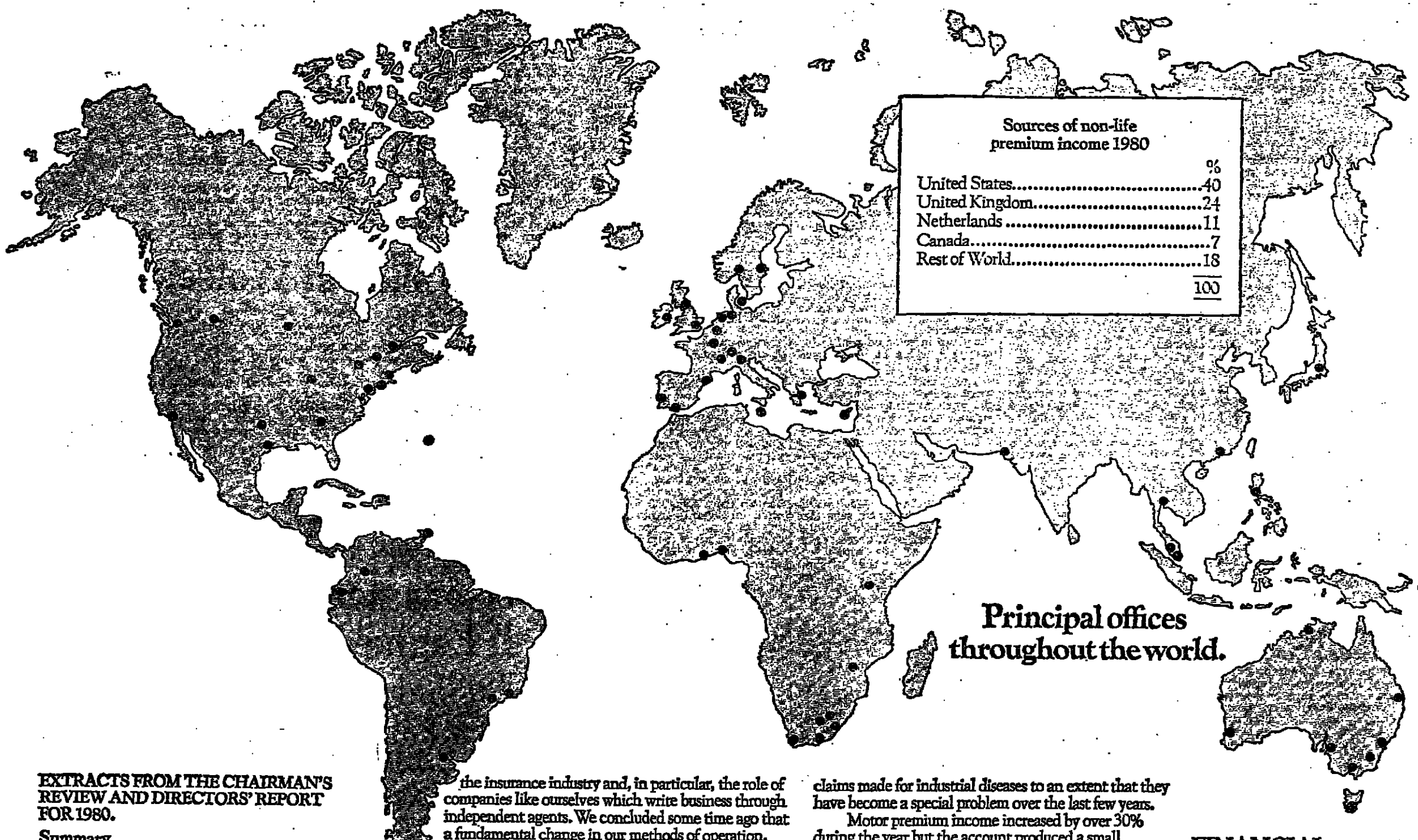
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Commercial Union



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EXTRACTS FROM THE CHAIRMAN'S REVIEW AND DIRECTORS' REPORT FOR 1980.

Summary

The profit attributable to shareholders for 1980 (after taxation and minorities) was £76.5m compared with £91.8m for 1979. Earnings per share declined to 18.61p from 22.34p in 1979. The reduction in profits and earnings per share was due largely to adverse trading conditions in North America and the severe effect of changes in rates of exchange.

Your directors recommend the payment of a final dividend of 6.400p (1979 5.800p) per share which, with the interim dividend paid in November 1980, gives a total of 10.800p (1979 9.800p). This represents an increase of 10.2% on the dividend paid in respect of the year ended 31 December 1979. The cost of total dividends for 1980, including preference dividends, will amount to £44.4m, leaving £32.1m to be transferred to retained profits and reserves.

World-wide non-life premium income in sterling terms showed only a small increase of 2%. However, there was an underlying growth of 17% after allowing for the effect of changes in rates of exchange, the sale of shares in former subsidiary companies in Australia, New Zealand, South Africa and the Republic of Ireland, which have become associated companies, and other factors.

Our underlying rates of growth in premium income during the period 1976-1978, averaged about 6% per annum and were appreciably less than those of our competitors. This was because of the need to restrict growth in 1976-1977 in the light of our 1975 results and our low solvency margin at that time. In 1978 a policy of prudent growth was decided upon but it was not until 1979 that the effects of this policy first showed through with an underlying rate of growth of 12%, increasing to 17% in 1980.

Investment income in sterling terms, net of loan interest, was £142.8m (1979 £141.0m), but after allowing for the effect of changes in rates of exchange, the sale of shares in former subsidiary companies mentioned above and other factors, the underlying increase was 15%.

There was a small reduction in the sterling amount of life profits which were £15.2m compared with £16.6m in 1979. However, after allowing for the effect of changes in rates of exchange and other factors, life profits showed an underlying rate of increase of 8.5% over 1979.

Non-life underwriting suffered a marked deterioration during 1980, with a loss of £57.3m compared with a loss of £21.3m in 1979. As expected, results deteriorated in the United States and particularly so in Canada. The underwriting results in the United Kingdom and parts of Western Europe were also worse but they improved in the Netherlands. Marine and aviation business written in the London market resulted in a release of £3.2m to the profit and loss account compared with £2.5m reported in 1979.

MAJOR TERRITORIES

United States

The underwriting loss rose to £31.8m from £8.3m in 1979. Investment income increased to £50.5m (1979 £46.5m).

For most of the year the economy was in recession and inflation was running at a high level. Competition within the insurance industry was so intense that it seemed that little heed was being given to the longer term consequences. Market capacity has been well in excess of current needs and this, together with the availability of high interest rates, has encouraged relentless price cutting, especially in commercial business.

Despite these conditions, we achieved a growth in written premiums in local currency of over 15%. This growth was considerably higher than the average growth for the industry and although our statutory claims ratio to earned premiums deteriorated to 70.7% (1979 69.4%), this modest increase was most satisfactory in the prevailing conditions. The commission and expense ratio to written premiums was 34.0% (1979 33.1%) and the statutory operating ratio 104.7% (1979 102.5%). The expense ratios reflect the continuing implementation costs associated with our long term strategy referred to below which is designed to achieve a larger share of the market as well as greater profitability.

Our long term strategy is based upon a comprehensive assessment of the changing conditions in

the insurance industry and, in particular, the role of companies like ourselves which write business through independent agents. We concluded some time ago that a fundamental change in our methods of operation, and in our relationships with the independent agents, was essential to protect the long term profitability of our business. The additional expenses involved in all aspects of the ensuing reorganisation represent, therefore, an investment to produce profitable growth in the future.

One of our principal objectives has been to secure a relationship with our independent agents based on mutual respect and increasing profitability. To this end, the products and services we have offered have been combined with broader authorities given to selected trained agents who have entered into contracts with the Company providing them with greater incentive and security.

Our objectives have been substantially achieved so far and although the underwriting prospects for the insurance industry in the immediate future are not encouraging, we have confidence in the effectiveness of our strategy for the longer term.

United Kingdom

There was a deterioration in underwriting experience in the UK during 1980 and a loss was made of £2.3m compared with a profit of £3.5m in 1979. Premium income increased by over 25%.

Trading conditions have been difficult. The practice of some companies to reduce rates substantially to protect their existing portfolios and to attract new business was a particularly adverse feature. Although the rate of inflation has been falling recently it remains a major problem for insurers. The severe economic recession has restricted real growth in the volume of available insurance business and underwriting capacity has exceeded requirements.

Although fire wastage during the year increased by 32% over 1979, competition for industrial fire and consequential loss business remained strong and the higher level of claims and exposure were not matched by increases in premiums. Nevertheless, in the absence of the poor weather conditions that affected 1979, our fire account produced a profit.

Employers' liability experience has deteriorated. Premium volume, which in this class is related to the wage bill of the insured, suffered as a result of the recession. There has been an increase in the number of

claims made for industrial diseases to an extent that they have become a special problem over the last few years.

Motor premium income increased by over 30% during the year but the account produced a small underwriting loss.

Life profits in the UK increased to £7.8m (1979 £7.1m). This increase reflects the triennial valuation at the end of 1979 of the closed Northern Non-Participating Life Fund.

Netherlands

The total result of our Netherlands subsidiary, Delta-Lloyd, was most satisfactory in 1980. The underwriting result showed a marked improvement, with a loss of £3.0m compared with £10.7m in 1979. Investment income was £18.1m (1979 £20.7m) and life profits were £6.9m (1979 £8.2m). The depreciation of the guilder against sterling by 21% during the year has depressed these amounts for 1980 in sterling terms.

Canada

Underwriting experience was particularly poor in Canada which produced a loss of £11.9m (1979 £0.4m profit). Investment income increased to £9.1m (1979 £8.8m). Premium income in local currency increased by 16%.

There was a continuing effect during 1980 of the distortions in the market place caused by the past operations of the Anti-Inflation Board and intense competition and uncertainty prevailed throughout the year. In addition, increased reinsurance capacity and the attraction of high investment returns have encouraged the persistent use of wholly inadequate premium rates.

Australia and New Zealand

Integration of our business interests in Australia and New Zealand with those of the National Mutual Life Association of Australasia Limited, became effective on 1 August 1980. We now have in each of these countries an associated company in which our effective interests are 45.9% and 49.2% respectively.

Trading conditions in both countries remained exceptionally difficult with unabated price competition. The underwriting loss in Australia for the first seven months of the year was £2.5m compared with a loss for the whole of 1979 of £2.3m. Investment income for the same period was £4.8m (1979 £7.0m full year). In New Zealand the corresponding results were an underwriting loss of £0.5m (1979 £0.5m) and investment income of £1.0m (1979 £1.2m).

RESULTS IN BRIEF

	1980 £m	1979 £m
Premium income	1,171.5	1,148.5
Investment Income	151.4	153.6
Loan interest	(8.6)	(12.6)
	142.8	141.0
Life profits	15.2	16.6
Underwriting result	(57.3)	(21.3)
Associated companies' earnings	2.5	1.3
Profit before tax	103.2	137.6
Taxation and minorities	(26.7)	(45.8)
Profit attributable to shareholders	76.5	91.8
Earnings per share	18.61p	22.34p
Dividend per share (net)	10.80p	9.80p
Shareholders' funds	£769m	£717m



Commercial Union

Assurance Company Limited

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FINANCIAL

Sterling continued to appreciate in 1980 against most other currencies and particularly against the European currencies. The effect of changes in rates of exchange reduced premium income by £97.2m, investment income less loan interest by £11.5m, profit attributable to shareholders by £7.4m and shareholders' funds by £74.8m.

Solvency

Net assets attributable to shareholders at 31 December 1980 amounted to £769m (1979 £717m) and the solvency margin (ie net assets expressed as a percentage of written premiums) was 66% (1979 62%).

CONCLUSION

A year ago, I drew attention to the worsening trends in underwriting results which began in 1979 and were caused by a combination of increasing competition and inflation. Unhappily I was right then in suggesting that there were few signs of an early return to responsible market behaviour and, against a sombre background of continuing inflation, I believe that our results for the year are reasonably satisfactory.

In particular we did well in the United States to increase our premium income by over 15% and restrict the rise in our statutory claims ratio to 70.7% against 69.4% for the previous year, both of these being a better achievement than the market average.

While it is disappointing that our UK underwriting should have produced a small loss in 1980, this was in line with general market trends. However, there was a substantial increase in our premium income and we made good progress towards our objective of regaining a larger market share.

I am glad that we are able to record a marked improvement in the underwriting results in the Netherlands. In Canada there are now at least some signs of a change for the better in market conditions, though it will take some time for underwriting results to become satisfactory again.

The insurance industry is a major contributor to the country's invisible earnings and we as a Company can be proud of our own share in this. In 1979, the last year for which detailed figures are available, the net contribution to the balance of payments from the invisible earnings of the private sector was not far short of £5 billion. Of this total the insurance companies and brokers and Lloyd's of London between them produced almost one-fifth. I have every confidence in the strength of the British insurance industry and its ability to continue to make a truly significant contribution to the balance of payments.

Our business has always been cyclical and the downturns have in the past usually resulted from an over-capacity in the market following periods of good underwriting results. The current downturn has been particularly severe due to the unusual combination of deep economic recession and high inflation rates world-wide. The insurance industry faces another difficult year in 1981 but, in my view, we shall see the first signs of an upturn in the underwriting cycle by the end of the year. Our strong balance sheet will enable us to take full advantage of improving underwriting conditions as they occur and we are continuing our efforts to expand our market share, more especially in the United Kingdom and the United States. In the United States we have invested a very substantial amount in the restructuring of our organisation which is now beginning to show a return through increased premium volume and a stable claims ratio. A gradual reduction in the expense ratio should follow over the next few years. Moreover, the substantial increase in premium income already achieved in these countries should, subject to movements in interest rates, be reflected in higher investment income.

Francis Sandilands
CHAIRMAN

FINANCIAL NEWS

Steetley falls 22pc despite boost from overseas

By Rosemary Unsworth

Overseas earnings leapt forward last year at Steetley, the mineral, chemical and ceramic group which serves the construction and steel industries, as the United Kingdom recession deepened.

While turnover for 1980 climbed by 15 per cent from £297.5m to £345.7m pretax profits fell by 22 per cent from £23.5m to £18.2m, including the first full-year contribution from Gibbons Dudley.

The dividend total is held at 15p. This is covered 2.5 times on a historic basis. After the announcement the shares gained 3p to 179p, putting the yield at 8.4 per cent.

Trading profit remained static at £36.4m, but the group's interest charges almost doubled from £3.9m to £6.9m although borrowings fell by £4.7m to £55m. The reason for the increased charges was the £30m acquisition of Gibbons Dudley and two investments in Ohio.

However, the United Kingdom tax charge dipped from £3.5m to £2.0m because of first-year allowances and the new stock relief regulations.

Overseas profits rose by 9 per cent and now represent 37 per cent of operating profit. The French contribution doubled during the period to about £1m and North America performed well. Distribution activities in Canada's western states benefited from the area's rapid development, while results from Australia were at a similar level to last year's, although exchange losses on consolidation of overseas profits cost the group £594,000.

In the United Kingdom the construction side of the business, which is now the most important contributor, was badly hit by both the recession and the cuts in public expenditure. The main burden of these fell on the private sector, said Lord Boardman, the chairman.

Cement-Roadstone in new US acquisition

Cement-Roadstone Holdings, a leading Irish building materials group with major interests in the UK and overseas, has acquired, through its US subsidiary, the Concrete Conduit Company Inc. for \$12m (£5.28m).

The purchase was financed by a placing of 7.75m shares.

Concrete Conduit, with sales in 1980 of \$20.2m, and pretax profits of \$2.1m, is a leading producer in four states of pre-

cast concrete vaults for power and telephone companies. Other products include prestressed concrete power poles, highway barriers and catwalks.

Cement-Roadstone's existing US operations are in the energy-rich mountain states. The addition of Concrete Conduit increases to 16 the number of manufacturing plants, located in the high-growth states of Colorado, Utah, Wyoming, Idaho, Washington, Oregon, California and Arizona.

properties have been recently valued at £4.62m, an excess of £3.27m over book value. This makes asset value 175p per share.

Reorganization at Clark & Morland

Mr J. P. G. Morland, the chairman of Clark, Son and Morland, the unquoted company manufacturing sheepskin products, reports that at the beginning of January it became clear that the loss for the year to February 28, 1981, would be "very substantial".

So the board commissioned a report by an independent firm of accountants, Spicer and Pegler, on steps to be taken to restore profitability. The report's recommendations have been accepted by the board. One recommendation is to close down and dispose of the premises at Yeovil and this is going ahead.

Rights issue by W E Norton

The board of W. E. Norton (Holdings), the machine tool merchants, is planning a rights issue. It will raise about £705,000 (net) by the issue of 780,000 new 11 per cent convertible cumulative preference shares of £1 each, 1996-2001.

Terms: one preference for every 27 ordinary shares at par. For the year to March 31, 1981, the board forecasts a pretax loss of "not more than" £975,000, after interest payable of £540,000, compared with a pretax loss of £247,000 for 1979-80.

Morgan Grenfell jumps 43pc to £7.2m

By Ronald Pullen

Better conditions all round have resulted in Morgan Grenfell, one of the City's leading merchant banks, raising profits 43 per cent to £7.2m for 1980, after tax and transfer to inner reserves. The dividend to shareholders — Morgan Guaranty Trust of the United States, insurance brokers Willis Faber and a clutch of United Kingdom institutions — goes up a third to 6.7p a share gross.

The figures have been struck after a release of deferred taxation to inner reserves because of the earlier over-conservative treatment. The scale of this shows up in restated profits for last year which have increased from £4.4m to £5m.

The bank has also brought more of its inner reserves into the open to bring issued share capital more into line with capital employed. This is to be a one-for-one scrip and a £7.5m transfer to published reserves, which raises disclosed shareholders' funds from £45.5m to £53.8m.

Mr William Mackworth-Young, vice-chairman, says that the Bank of England's liquidity proposals makes it necessary to put more of the bank's resources into the "shop window", and admits that he would be prepared to disclose more if the rest of the accepting houses would agree.

Lord Catto, Morgan Grenfell's chairman, attributes the success of the past year to the international development of the past twelve years.

Export finance has been especially strong, following the concession two years ago that merchant banks could fund, as well as negotiate, credits. Loans under the ECGD scheme have more than doubled to £109m and are expected to double again in the next year.

Elsewhere, the Eurocurrency side has done well — both bonds and syndicated credits.

Hepworth Ceramic raises dividend

By Peter Wainwright

Hepworth Ceramic does not believe that cut dividends should follow enforced redundancies. Last year it made a quarter of its workers redundant and pretax profits plunged from £36.17m to £22.25m. But up goes the gross dividend from 7.15p to 7.50p despite more than halved earnings per share of 10.2p. The fall in current cost earnings was from 9.3p to 2.9p.

Relieved dealers lifted the shares 6p to 111p yesterday. So shareholders have not lost out on the autumn, 1979 rights issue of new shares at 93p when the existing ones were 100p. This issue raised £29m.

Last year the group, headed by Mr Peter Goodall, decided that the time had come to contract Hepworth Ceramic to contract.

The group's turnover has been in every division have been brought down even more steeply than revenue. In volume terms the group found a decline of 30 per cent in every division except steel, where the slump was 50 per cent. In some areas like refractories it has 56 per cent of the market, and the board's hope is to bring about some price stability.

The background to contraction was the lowest number of housing starts seen since 1914, a slump in construction, and

a bad time for the automotive industry. The steel industry itself is pulling down output from 26m tons in 1979 to just over 11m tons.

In 1980 turnover fell from £272.24m to £263.21m and pretax profits from £36.17m to £22.25m. Before striking the latest profit the group deducted more than £3m in redundancy costs, but the bulk of closure would not have been so buoyant. These appear as extraordinary items as a deduction from net profits.

Thanks partly to the timely cash call, and good housekeeping, the group ended the year with net cash balances of £19m against £33m the year before.



Mr Peter Goodall, chairman of Hepworth Ceramic Holdings.

Hawley Leisure tops £1m

By Philip Robinson

Hawley Leisure, the United Kingdom's largest distributor of coin-operated amusement machines such as Space Invaders, yesterday reported more than doubled profits and a 100 per cent dividend increase.

The group, which three years ago was making losses, reported profits for the year to December up from £520,000 to £1.2m on a turnover up from £11.3m to £26.59m. The gross total dividend is lifted from 1.142p to 2.285p with a 1.428p final. The shares rose to 60p before easing back to close a penny down on the day at 58p.

Hawley, around 16 per cent owned by one of Mr Michael Ashcroft's other quoted companies, Provincial, has made six acquisitions this year and raised £3.2m of new cash. Much of the increased profit has come from the amusement machines side, which was expanded last April with the £1m purchase of London-based Cherry Leisure. However, Mr Ashcroft says there was also growth in its leisure goods.

The group's interest charge increased from £292,000 to £314,000, but money from the two cash-raising exercises has reduced gearing to around 55 per cent.

Interim slide at Wolseley-Hughes

By Margaret Pagano

Lower consumer and industrial demand more than halved pretax profits from Wolseley-Hughes, the central heating systems specialists.

Pretax profits slid from £7.69m to £3.43m in the six months to January 31 on sales which were down by some 20 per cent to £88.04m. The interim gross dividend is maintained at 6.28p. But Mr Jeremy Lancaster, chairman, said that a maintained final dividend would depend on trading over the next few months. The gross total dividend paid last year was 17.8p. The share price dropped 5p to 225p.

The group, which also manufactures agricultural equipment, engineering, plastics, footwear and other products, traded at a record level in the year to last July with a 22 per cent rise in pretax profits to £15m. However, trading conditions since last May have gradually deteriorated with demand from the group's divisions overall down by about 20 per cent.

On the manufacturing side, order books had been lower by some 35 per cent compared with this time last year, said Mr Lancaster, and there had been no signs of any improvement in recent trading.

Short-time working continues at particular plants. Since last

January 800 employees had been made redundant. Wolseley now employs 4,500 staff as further rationalizations are ruled out. "We have in the past been rationalizing over the last four to five years otherwise we would not have been so buoyant in the last year," Mr Lancaster said.

Borrowings, which at the end of last year were £4.62m, have not been increased, giving the group a low gearing ratio of 13.5 per cent. Interest charges in this half year were lower at £425,000, against £1.09m in 1979, and tax took £1.78m compared with £4m. This leaves retained profits at £1.62m against £3.66m.

Short-time working continues at particular plants. Since last

Overseas side lifts Hall Engineering

By Margaret Pagano

Improved profits from Hall Engineering's overseas subsidiaries have compensated for the United Kingdom downturn lifting pretax profits by 11 per cent to £6.7m in the year to December against £6.3m last time.

Sales were £102.19m compared with £97.68m. The final gross dividend has been raised to 6p, making a total dividend for the year of 10.8p gross against 10p last year. The share price rose 1p to 170p.

Mr Richard Hall, chairman, said yesterday that conditions in 1981 could be worse than those of last year, particularly in the steel reinforcement and design divisions. Results from the United Kingdom would depend on improvements from overseas trading compensating for the expected depression but

should not fall short of last year's level.

In 1979 trading in South Africa contributed £1.8m to profits, £4.4m came from the United Kingdom divisions, and the remainder came from the Middle East.

The steel strike boosted trade with the group supplying many of British Steel Corporation's customers. Trading continued satisfactorily until August when orders began to slip and in the last quarter the slump was felt throughout the group. Short-time working was introduced and continues, and there have been a few redundancies. No further rationalizations are expected.

Tax charges took £1.1m against £2.2m and after an extraordinary credit of £52,000, attributable profits are £5.9m against £4.5m.

Business appointments

Changes at Inchcape

Lord Inchcape, chairman of Inchcape & Co, will also become chief executive upon the retirement of Sir Michael Parsons. Mr H. P. Foxon becomes group managing director in addition to his office of deputy chief executive. Sir Eric Norris, a director, is made a non-executive deputy chairman. Mr P. J. S. Lumsden joins the board and will become finance director on May 1 in succession to Mr T. Hughes. Mr G. Holdsworth, a director, is made an executive director.

Mr Donald Kirkham is the new deputy chief general manager of the Woolwich Equitable Building Society. He is succeeded as general manager (operations) by Mr Peter Robinson, previously assistant general manager (development). Mr Michael Tuke has been promoted to assistant general manager (finance) but retains his post as secretary of the Society.

Mr Peter Hurst has been made senior regional manager and deputy to the senior international executive at National Westminster Bank's Africa and Middle East regional office within the International Banking Division.

Dr A. Passard, senior vice-president of Handelsbank NW Zurich (a subsidiary of National Westminster Bank) has been made a

member of the management committee.

Mr R. J. Starkey, joint managing director, is to take over as managing director and chief executive of Homfray and Co.

Mr J. A. Ferguson-Davies is now sales director of Samuel Bickett.

Mr A. R. White has joined the board of Halcrow (Offshore), an affiliate of Sir William Halcrow & Partners.

Mr Peter Usher has joined the board of Atcon Holdings.

Mr David K. Grimes has been elected a director of Coplex.

Mr J. W. van der Velden has joined the board of Morgan Grenfell & Company.

Mr R. E. Stedman, Mr E. H. Carter, Mr J. R. Rose and Mr G. Fowler, directors of H. Minner & Company, will join the board of E. Harding & Company.

Mr Brian Gilbert has been made director of claims. Excess Insurance Group. Mr Peter Mills becomes group manager UK claims, and Mr Peter Thompson group manager international and reinsurance claims.

Mr John S. Brown has joined the board of North West Securities, the finance house subsidiary of the Bank of Scotland.

Britannia Arrow rises by 87pc

By Our Financial Staff

Britannia Arrow Holdings, the remains of the former Slater Walker empire, yesterday reported pretax profits up by 87 per cent to £2.8m in the year to December.

The board is paying a dividend for the year of 1.42p gross against the 1p gross interim dividend last year. But the financial services group will resume paying two dividends a year from this year. The share price rose 21p to 47p on the news.

Sales were higher at £24.64m compared with £14.16m. After an extraordinary item of £5.48m credit, net profits were pushed to £1.1m compared with £3.5m last year.

International

Outlook bleak at Siemens

Siemens' turnover rose 5 per cent in the first five months of the year to September 19. Herr Karl Heinz Kaske, chairman of the board of management, said yesterday in West Berlin.

This stagnant turnover was a result in short-time working, some layoffs, with some permanent layoffs.

Herr Kaske said profit margins were threatened by increasing costs and competitive pressure. Greater efforts would be required if 1980-81 net profit were to reach the 1979-80 level of 487m Deutsche marks (£105.4m).

Meanwhile, Siemens was continuing discussions with GdG over possible participation in the company, Herr Kaske told the annual shareholders' meeting.

However, a Siemens spokesman said from Munich that talks were only intermittent and that nothing concrete had yet arisen. Siemens first said it was discussing possible participation with Grundig in March 1980. Philips Gloeipen-Fabriek, which has minority indirect stake in GdG, has expressed opposition to the proposal.

£67m loss at GM-H

General Motors - Hold (GM-H), Australia's large vehicle manufacturer, report a loss for 1980 of SA129.5 (£67.6m) against a profit of \$4.6m in 1979, on sales \$991.2m against \$1,090m.

Mr Charles Chapman, managing director, said that the factors contributing to the loss were the trimming of Holden range by dropping 10 models, the cost of closing 10 Pagewood, Sydney plant, including termination benefits as early retirement scheme, as the write-off of deferred losses.

As in 1979, the company paid no dividend to its parent General Motors.

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BCCI	12%
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C. Hoare & Co	12%
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The Over-the-Counter Market

50	39	Airsprung Group	63	-1	6.7	10.6	5.7
50	21	Armstrong & Rhodes	50	-	1.4	2.8	20.6
192	92	Bardon Hill	189	-	9.7	5.1	7.1
98	88	Deborah Services	95	+1	5.5	5.8	4.7
126	88	Frank Horsell	107	-	6.4	6.0	3.4
110	39	Frederick Parker	44	+2	1.7	3.9	16.3
110	73	George Blair	73	-1	3.1	4.2	—
110	59	Jackson Group	106	-1	6.9	6.5	4.0
124	103	James Burrough	118	-1	7.9	8.7	9.7
334	244	Robert Jenkins	325	-1	21.3	9.6	—
55	50	Scruttons 'A'	51	-	5.3	10.4	3.7
224	215	Torday Limited	215	-	15.1	7.0	3.7
23	10	Twinklax Ord	10	-4	—	—	—
90	69	Twinklax 15% ULS	72	-	15.0	20.8	—
56	35	Unilock Holdings	46	-1	3.0	6.3	7.1
103	81	Walker Alexander	100	-1	5.7	5.7	5.5
263	181	W. S. Yeates	260	-1	12.1	4.7	4.2

'Banks can play an important part in rebuilding industry and employment'

'The crying need is to get the general level of profits up, not the level of bank profits down. It is vital that we have the resources to go on supporting our sound customers and see them through their difficulties'

Extracts from the statement of the Chairman, Sir Jeremy Morse, in the 1980 Report and Accounts of Lloyds Bank

Pre-tax profits of the Lloyds Bank Group for 1980 were £290 million, 5% up on the previous year's £277 million. This rise was less than the general rate of inflation around the world, and our current cost accounts, which make adjustments for inflation, show pre-tax profits marginally down on 1979. After tax and dividends, profits retained in the business to finance our own and our customers' future expansion were £172 million.

Retail banking profits, in addition to reflecting our competitive performance, also rise and fall with the cycle of business activity and interest rates, particularly in Britain. This has been borne out in 1980. A good international performance by LBI helped to hold Group profits up; but increases in costs and provisions for bad and doubtful debts have marked the turn of the profit cycle in Britain. There will be further downward pressures in 1981 as the recession reduces the growth of loan demand and as interest rates fall.

The figures of bank profits, objectively considered, are not excessive. Taken over the whole cycle they may well not be sufficient to maintain our free capital

in real terms. Nor has the return we earn on shareholders' funds been out of line with that of industry in general.

The crying need is to get the general level of profits up, not the level of bank profits down. At this stage of the cycle it is vital that we have the resources to go on supporting our sound customers, large and small, and see them through their difficulties. Not only is it necessary to maintain a sufficient level of profits as a basis for future growth and as a first line of defence against bad debts and other losses; it is also necessary to have a strong capital position. This has become all the more important in the present economic climate of the world.

Within Britain, the immediate priority is the reduction of inflation, but we also have to prepare for the recovery after the recession. If it is accompanied by some sustained increase in productivity and the containment of inflation well within single figures, then the banks can play a very important part in rebuilding industry and employment, for their own as well as the general good.

Copies of the 1980 Report and Accounts are obtainable from the Secretary, Lloyds Bank Limited, 71 Lombard Street, London EC3P 3BS.

BUDGET PROPOSALS: We are very disappointed at the Chancellor's proposal for a large levy on the British banks. This is highly damaging at a time when industry desperately needs the support of strong banks. If it goes through, shareholders' funds in Lloyds Bank will be reduced by more than £60 million. We shall be doing all we can to persuade the government to change its mind before it is too late.

(From a letter to shareholders issued with the Annual Report.)



Lloyds Bank Group

Lloyds Bank has 2,353 branches throughout the United Kingdom and there are now, in 44 countries, 498 branches and offices of the Lloyds Bank Group, including those of Lloyds Bank International, The National Bank of New Zealand and Lloyds Bank California.

ACCOUNT DAYS: Dealings Began, March 16. Dealings End, March 27. § Contango Day, March 30. Settlement Day, April 6

هكذا من الأصل

RAE:IC

TELEVISION



WHAT THE SYMBOLS MEAN: † STEREO; * BLACK AND WHITE; (r) REPEAT.

6.40 Ope

BBC2

THAMES

London Weekend
7.00 Family Fortunes: Families compete in this prize quiz, conducted by Bob Monkhouse. **7.30 Vegas:** A plea for help — then a girl is murdered. Dan Tanna (Robert Urich) investigates.
8.30 Holding the Fort: Situation comedy with Patricia Hodge and Peter Davison as the couple who exchange roles. They advise a friend

Classified Guide

ARTS 236 2132 Mons to Sat 8 p.m.
L3, L3, L2. "Even if you're not

100

PALLADIUM. 01-437 7373.
LAST 3 DAYS



ST. MARTIN'S. cc R56 1443.
Evgs. 8. Tue. 2.45. Sals 5 & 8.



ACADEMY 3 457 8819, Ira Wohl's Academy Award winning film

Figure 1 is a line graph showing the relationship between the percentage of total effort and the percentage of total catch for different fish species. The x-axis represents the 'Percentage of total effort' from 0 to 100, and the y-axis represents the 'Percentage of total catch' from 0 to 100. The legend identifies five data series: Yellow perch (solid line with circles), Rock bass (dashed line with triangles), Rock bass + yellow perch (dotted line with squares), Rock bass + yellow perch + white perch (dash-dot line with diamonds), and White perch (solid line with crosses). Yellow perch and rock bass show a high catch percentage for low effort percentages, while white perch shows a more linear relationship.

• • 1. ORDINARY PEOPLE (AA)
Sch. prmt. daily 1.00. 5.30

1

Animals and Birds

20

Age Group	Percentage of Respondents
18-29	65%
30-49	75%
50-69	80%
70+	85%

Figure 1

